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# **Environmental Sustainability and Family Businesses**

A thesis

submitted in fulfilment

of the requirement for the degree

of

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By

K.A. Nishanthi Renuka Kariyapperuma



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*Te Whare Wānanga o Waikato*

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## ***Dedication***

### ***Dedicate to Nature***

*The protector of all species*

### ***To my mother***

*For giving me the most precious dowry of 'education'*

*And the strength to go forward no matter how hard it is*

### ***To Sandun***

*For believing in me*

*For supporting me silently with your love*

*For patiently bearing most of the pressure for the last four years*

### ***To Sakith and Aria***

*My reason for smiling, living and enduring this hardship*

*And my reason for trying to protect nature*

### ***To Eva***

*For teaching*

*For caring*

*For guiding, supporting and believing in me*

## Abstract

For centuries, individuals, businesses, and countries have attempted to preserve nature, yet despite their efforts, environmental issues persist. Family businesses (FBs) are a key player in the global economy, and cumulatively, their impact on environmental sustainability (ES) is significant. FBs also provide a unique organisational context to study the influence of family, founding owners, and the next generation in relation to ES in family firms. This is a thesis with publications positioned at the intersection of ES and the family business (FB). The research adopts a two-phase design. The first phase addresses the research question: How and why do family firms vary in their engagement with ES? The second phase considers how family firms can continue an environmental values legacy.

The thesis includes three research papers. Manuscript 1 presents a structured literature review (135 research papers published during the last 20 years) that evaluates the body of knowledge at the intersection of ES and FBs. Manuscript 2 reports on the results from a qualitative content analysis of information on ES and family narratives disclosed in the corporate websites of 72 FBs. Manuscript 3 is based on two qualitative methods - a qualitative content analysis and multiple case studies regarding the socialisation context of the founding and the next generation family members. The context for the empirical studies is family businesses operating in New Zealand's wine industry. Most of the firms in the industry are owned and operated by small to medium-sized FBs. The theory of family logic and familiness was applied in the first two manuscripts, while the theory of multi-layered socialisation was used in the third manuscript.

The three manuscripts complement each other. Manuscript 1 uses the extant literature to show how family logics (e.g., socioemotional wealth) and family resources (e.g., social capital) influence ES in family firms. Manuscript 2 empirically investigates the above association and identifies family values, founding values, and nonfinancial goals of the family as dominant family logics that could influence FB engagement with ES. Manuscript 3 develops this idea further and explores how families develop an ongoing environmental values legacy in FBs.

The results show that the family itself is the primary source of heterogeneities among FBs in their approach to ES. Family logics and familiness act as a frame of reference for the dominant coalition in their behaviour towards ES. A conceptual model was developed that linked the variables (family logic, familiness, family firms, and ES) and provided a holistic view of how

and why heterogeneities exist in family firms. Three typologies of family firms were developed: Family-First, Business-First, and Upstart.

Regarding environmental values formation and transmission in FBs, it was found that early childhood is the most critical age of developing environmental values. Early childhood exposure to FB and nature interaction has also been identified as part of the primary socialisation. Three categories of environmental values were developed related to economic, social, and emotional needs that the founding or the next generation family members attempted to satisfy through engagement with ES. There is evidence for resocialisation of values, and a dyadic transmission of environmental values exist between parents and children. Implications of the multi-layered socialisation process are discussed.

The first contribution of this thesis is to theoretically and empirically review the “family behind the family firm” to explain how variations in the family variables influence heterogeneities among family firms in their approach to ES. The second contribution of this thesis is to develop the existing knowledge in the intersection of family business and ES, regarding the continuity of environmental values in FBs.

At the conclusion of the thesis, the original contributions of the thesis are highlighted. Limitations of the research and future research directions are also outlined.

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My children, Sakith and Aria, are the ones who sacrificed most during this time. Often, my nine-year-old asked me, “Mom, can you retire from the PhD?” Even though he wanted to have me around, he still tried to understand and support me. Moreover, my daughter, born in the month of my proposal confirmation (22nd March 2017), grew up with the PhD, and I missed many of her special milestones. I thank both of you for being healthy and beautiful kids.

I want to say a heartfelt thank you to my mother, sisters, in-laws, and all the family members for their encouragement, support, and for believing in me. Your help was also a great strength for me. My friends, especially Madhuri, Kavitha, Shashika, Udana, Sadeesha, Dhani, and Vishaka- you have always encouraged me and believed in me. Thanks for the beautiful friendships.

Finally, I thank all my peer PhD candidates, many of whom have cared, encouraged, and supported me, both professionally and personally.

## Prologue

This thesis is a product of having grown up in the 1980s in a rural village surrounded by the natural environment. My strongest recollection of my childhood is when I was five years old, and that memory has everything to do with the natural environment. I was born at a good time and in a good place to enjoy being a child. However, over the years, I have personally experienced how human actions can drastically change the natural environment. The personal experiences of my childhood have undoubtedly motivated me to choose this topic for my PhD research.

When I was young, I lived in a small village in Sri Lanka with my mother and four siblings. The village was a magical place. It had two small streams flowing in the middle of an extensive range of paddy fields. The paddy fields were located close to bushland and a small jungle area with tall trees. My youngest brother and I practically lived outdoors. There were very few rules and constraints from my mother. Most days, we only came home at night to sleep. We fed ourselves with the abundant fruits available. We used to catch fish, swim up and down the streams, and play hide and seek with our friends in those jungle areas. The water of the two streams was very clear. We were able to see the brown sand floor with colourful fish of all kinds. We could see numerous animals, birds, insects, lizards, and reptiles of many different types. I can still visualise the butterfly season; butterflies of all different colours, sizes, shapes were in all the trees. They were flying and floating in the wind. That is one of my favourite memories.

At night, we watched bats of all sizes and types flying in the sky and hanging in trees. In the morning, we collected fruits, especially the cashew-nuts dropped by bats. We helped collect these, and my mother used to sell the fruit to a woman who came weekly to our house. This was our family's primary source of income, as my father left us just after I was born. I can remember the economic hardship, but I do not recall starving, as there were abundant vegetables and fruits all around us.

By 1990, I experienced the drastic change that took place in my village. I saw the beautiful natural world disappear before my eyes. When I was around the age of 9, my village started to become more populated. I saw people cut down most of the bush areas. They built many houses. One villager opened a tyre factory close to the streams. They started to throw most of



the waste into the two streams. This may be because the tyre factory owners were influential people in the neighbourhood and laws to protect the natural environment did not exist.

One stream got blocked, and I saw colourful oil floating over the riverbed. I did not see little children playing in those streams anymore. Farmers stopped cultivating paddy fields. One by one, the wetlands were filled with garbage. The lands were divided into small sections. I started to see fewer and fewer butterflies. Unfortunately, within a short period, my beautiful, clean, green village had disappeared.

I started to understand that what was happening in my village was not an isolated incident, but that globally, human activities were accelerating at a rate that nature could not bear. I still remember as an academic the first time I read *Silent Spring*, written by Rachel Carson (1962), and *Small is Beautiful* by E.F. Schumacher (1973). *Silent Spring* allowed me to analyse my life, the natural environment around me, and my village's social and economic changes. I knew that every single word written by Carson was not just happening in her surroundings, or not just in mine, but globally as well. Whether developed or developing, all countries have different degrees of pollution.

As an academic, I have a strong desire to help protect the natural environment. I will not be able to see the beautiful village that we experienced when we were kids, and sadly, my children may not have the same experience I had. Nevertheless, I am determined to help, in some small way, to prevent what is continuing to happen to the natural environment. Selecting environmental sustainability as my PhD topic has allowed me to help the nature I love and treasure.

The natural environment was a crucial part of the traditional family's economic, social and emotional well-being. From my perspective, the older generation ensured a balance of nature and human activities. Somewhere along the way in human development, we have lost this balance. Therefore, I want to question why things have changed to this extent between the older generation and the next generation. For this reason, I have focused more on understanding the psychological aspects of the natural-human interaction. For example, I was interested in understanding the social, economic, and emotional bonds that families create with the natural environment and how these emotions, associated values and traditions continue or change across generations. Picone, De Massis, Tang, and Piccolo (2021) recently discussed the importance of understanding basic human needs and psychological behaviour to understand

the behaviour of family firms. Therefore, examining the psychological behaviour of family firms is a current and important trend in the literature. In the following section, I present a narrative of my challenging PhD journey.

It is worth noting the changes to my initial plans to collect the data for my thesis. The initial plan included a sequential multiphase design - a mixed-method involving multiple phases of data collection and analysis (Saunders, 2009). The first step was to conduct an industry-wide survey to understand heterogeneities among family firms operating in the New Zealand wine industry. The second step was to combine the findings of the survey with interview data to explain the causal relationship between the sources of founders' values and their impact on the environmental sustainability of family businesses, as well as how such values continue (pass on) as an environmental legacy to new generations of family members (why, how).

During the proposal stage, I looked at the world as a critical realist researcher, attempting to overcome the duality between qualitative and quantitative dichotomies (McEvoy & Richards, 2006). I believe that the reality is there, but it is not easy to grasp. Therefore, combining quantitative and qualitative methods might provide knowledge that is closer to reality. However, it is impossible to create an accurate representation of how individuals make environmental decisions in reality. Hence, I decided to theorise a causal relationship (Modell, 2009), for example, a causal relationship between the personal environmental values of the founding owners and the ES engagement of family businesses.

I started the data collection phase mid-2018. First, I reviewed the extant literature and designed tentative research questions followed by six in-depth telephone interviews as a pilot study. Founding owners and the next generation family members were interviewed as participants for the pilot study. The participants were selected randomly from multiple industries in New Zealand. The objective was to build a tentative hypothesis. From the pilot interviews, I found a significant connection between the industry's dependency on the natural environment and the firm's ES engagement. For example, agriculturally based firms showed more significant ES concerns than other industries. As a result, it was decided to focus on a single industry to control the variable (impact of industry dependency over the natural environment).

I finalised the survey questionnaire by the beginning of 2019 and obtained opinions from industry experts regarding the initial survey. The discussion with industry experts was

completed by March 2019. Meanwhile, I connected with relevant people from Sustainable Winegrowing New Zealand (SWNZ) and Organic Winegrowers New Zealand (OWNZ), and they offered to distribute the survey.

A pilot study was necessary before the broader distribution of the survey. Hence, I sent the web-based questionnaire to 100 family firms of the 500+ registered in the New Zealand wine directory (2019). Unfortunately, even after the second reminder, I did not receive any responses. A few reasons can explain this zero-response rate. According to industry experts, most NZ winegrowers are highly targeted by researchers; therefore, they exhibit a high resistance to surveys. Other New Zealand wine industry-based studies have also experienced low response rates (Dodds, Graci, Ko, & Walker, 2013). Thus, together with my supervisors, we decided to move to a qualitative approach.

Even though nearly 18 months' preparation seemed to be wasted, I did have the opportunity to study many family firms via their company websites during this period. I developed a database of family firms operating in the wine industry. I realised that their corporate websites were filled with rich information about the family and family firms, including details of the founding owners, family history, narratives of the founders and the next generation, organic and sustainable stories, connections with the local neighbourhood and the natural environment. I also observed that the websites of most of the small and medium boutique wineries are run and maintained by the founding owners and or a family member themselves. These family firms have written content as narratives and family stories. Some owners have designed their website as a diary, where they chronicle their daily lives, environmental sustainability activities, plans and perspectives toward wine, and life in general. This information provided good insights into the social and economic context of family firms.

As a result, and after going through the challenging data collection period in the PhD study, my perspective shifted from a critical realist to a social constructivist. I realised that a causal relationship might not be the only way to theorise relationships. More importantly, I felt that a grounded, explorative analysis of the content created by the individual or the organisation might reflect their social and economic context.

I realised that an analysis of environmental disclosure and other disclosures related to the family might provide deep insights into the context within which each family firm connected with the natural environment. Hence, for Manuscript 2, a qualitative content analysis of the

environmental sustainability disclosures was used. Seventy-two companies were selected for the qualitative content analysis stage taking into account specific selection criteria and theoretical saturation.

For the second phase of the thesis, the plan was to conduct in-depth interviews with 20+ founding owners and the next generation family members of multigenerational family firms operating in the wine industry. However, at the beginning of 2020, the COVID pandemic occurred. I sent 120 email invitations, followed by emails and phone calls to potential participants. Responses were received from founding owners of a few family firms that explained their struggles in dealing with the pandemic and other issues around harvesting, pruning, and the lack of seasonal workers. I continued this process for three months. After that, considering the limited time I had to complete the PhD, I decided to use a multiple case study approach for the second phase of the research. Four case studies were completed by the end of 2020.

During this challenging PhD journey, I faced emotional turbulence and adjusted my whole perspective as a researcher, including how I view the world around me and how I question reality. Now, I believe that learning is a process of constructing meanings, and it is how I make sense of my reality based on my experience.

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## Acronyms and Abbreviations

CSR	Corporate social responsibility
ES	Environmental sustainability
FB	Family business
FBs	Family businesses
FF	Family firms
FERC	Family Enterprise Research Conference
IFOAM	International Federation of Organic Agriculture Movements
IGT	Intergenerational transmission
NxG	Next generation
NZ	New Zealand
NZW	New Zealand Winegrowers
NE	Natural environment
OWNZ	Organic Winegrowers New Zealand
QulCA	Qualitative content analysis
SEW	Socioemotional wealth
SWNZ	Sustainable Winegrowers New Zealand
SMEs	Small and medium-sized enterprises

# **Chapter One: Introduction**

My PhD study has been nurtured by my long-standing research interests centred on environmental sustainability (ES), in the context of family businesses (FBs). This is a thesis with publications. It encompasses three research papers grounded in ES-related inquiries and covers two main research phases. The first part of the thesis investigated heterogeneities among family firms regarding ES engagement. The second part of the thesis examined environmental values formation, transmission, and legacy continuity in FBs. Specifically, the thesis empirically investigated the ES engagement of FBs operating in the New Zealand wine industry, focusing on psychological aspects of the family. For example, I analysed family variables (socioemotional wealth, long-term orientation, values, culture and tradition, influence of the founder, and the next generation's involvement) and how the variation of those characteristics among family firms leads to heterogeneities in their approach to ES.

The first phase of the research addressed the research question: How and why do family firms vary in their engagement with ES? The second phase addressed how family firms can continue and further develop an environmental values legacy for the family business. Overall, the thesis addressed ES in family businesses.

The thesis consists of five chapters, including the introduction chapter, three main chapters (Chapters 2 to 4 - written as journal articles), and a conclusion chapter. This introductory chapter provides the research background and research motivation. The overall research aims of the thesis and the subsidiary research objectives of each paper are then discussed. Some of the fundamental philosophies that inform the research are explained. Next, a methodological section is presented, followed by the contribution of the thesis to existing literature. Finally, the structure of the thesis is provided.

## **1.1 Background**

This section provides a short introduction to the two main concepts addressed in the research - ES and family businesses. Definitions and brief descriptions are provided to explain the background to the research.

The natural environment is one of the main aspects of this thesis. According to Shrivastava (1993), the natural environment can be defined as the natural physical world, including its

atmosphere, water, land, and terrain. For centuries, individuals, groups, and nations around the world have attempted to preserve nature, yet despite their efforts, environmental issues such as loss of biodiversity, water disposal, ocean acidification, deforestation, and climate change persist (Ammendolia, Saturno, Brooks, Jacobs, & Jambeck, 2021; Anderson, 1998; Banerjee, 2001; Kearins, Collins, & Tregidga, 2010). These researchers have explained that business organisations have a role in preserving rather than destroying the natural environment.

ES is defined broadly as, "the maintenance of natural capital" (Goodland, 1995, p. 10). ES performs two essential functions for the survival of the world: sustaining sources of natural capital (inputs such as raw materials and energy) and absorbing sink activities (outputs such as the absorption of pollution). According to Goodland (1995), addressing ES is urgent as the capacity of the world economy (e.g., population growth and consumption) exceeds nature's capacity to generate natural capital (sources) and absorb waste (the sink function). Morelli (2011) stated that "Environmental sustainability could be defined as a condition of balance, resilience, and interconnectedness that allows human society to satisfy its needs while neither exceeding the capacity of its supporting ecosystems to continue to regenerate the services necessary to meet those needs nor by our actions diminishing biological diversity" (p.5). These researchers have emphasised the need to prioritise ES as a critical aspect of broader sustainable development goals.

ES is one aspect of sustainable development. Sustainable development meets the needs of the present without compromising the ability of future generations to meet their needs (Butlin, 1989). ES is connected strongly with economic development and, to a lesser extent, with social development (Goodland, 1995; Morelli, 2011). For example, economic sustainability relates to that part of the natural resource base that provides renewable (e.g. forest) and nonrenewable (minerals) raw materials for the production process. Thus, ES is concerned with the physical units in the production process and the need to preserve resources required to future generations to survive (Goodland, 1995). Social sustainability concerns poverty reduction (Redclift, 1992), and ES is critical in terms of the resources that support our way of life. Considering the importance of ES to other aspects of sustainable development, various stakeholders have pressured economic actors to be more environmentally responsible (Choi & Ng, 2011; Sarkodie, Adams, Owusu, Leirvik, & Ozturk, 2020; Shrivastava, 1995). For example, business organisations are highly scrutinised by stakeholders as they are significant consumers of the natural environment. Business organisations are also responsible for mitigating the

environmental impact of the organisation's commercial decisions and actions (Horisch & Schaltegger, 2019; Khatter, White, Pyke, & McGrath, 2021; Rodrigue, Magnan, & Boulianne, 2013).

Business organisations can no longer neglect the environmental impacts of their commercial decisions and actions. First, as major consumers of the resources provided by the natural environment, business organisations depend mainly on the "finite" earth to provide the necessary natural capital (De Giacomo & Bleischwitz, 2020; Dyllick & Hockerts, 2002) for their survival. Second, organisations are at the centre of environmental discussions regarding both problems and solutions (Welford & Gouldson, 1993). Hence, business organisations are under increasing pressure from stakeholders, environmental legislation, and customers to be more environmentally friendly (Hoffman & George, 2012; Jang, Zheng, & Bosselman, 2017; Kyriakopoulos, 2021). These researchers have stated that while some business organisations voluntarily engage in ES activities, others adhere only to the minimum environmental regulations; there are variations in their motivations for involvement in ES activities.

There is an increasing focus on how business organisations should take responsibility for their commercial decisions and actions (Tyler et al., 2020; Yu, Zeng, Chen, Meng, & Tam, 2021). The extant research has focused on a range of aspects regarding ES and businesses. For example, researchers have discussed environmental management, business strategy, constructs, and measurements (Craig & Dibrell, 2006; Gunarathne, Lee, & Hitigala Kaluarachchilage, 2021; Hart & Ahuja, 1996; Theodore & Theodore, 2021; Zheng, He, Hsu, Sarkis, & Chen, 2020). Some researchers have examined the drivers of voluntary environmental activities (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014; Sarkar, Qian, Peau, & Shahriar, 2021). More specifically, researchers have investigated what types of organisations respond to environmental issues and the key drivers behind such efforts.

One common understanding between earlier researchers and contemporary researchers is that key decision makers' values play an essential role in the nature, type, and level of ES engagement of businesses. The personal values of managers, employees, leaders, and founding entrepreneurs act as a key driver behind the voluntary environmental engagement of business organisations (Craig, Glasser, & Kempton, 1993; Egri & Herman, 2000; Hemingway &

MacLagan, 2004; Jamieson, 2020; Karp, 1996; Neuman & Behavior, 1986; Sharma & Sharma, 2011).

Personal values are, therefore, an essential determinant of ES engagement of business organisations. In the thesis, I define personal values as an enduring belief in specific goals, which guide the holder's decision-making (Feather, 1994; Halisa, Ozsabuncuoglu, & Ozsagirb, 2007; Rokeach, 1973; Schwartz, 2003). The extant research has mainly focused on identifying which values are more likely to motivate ES engagement decisions and actions (Papagiannakis & Lioukas, 2012; Craig et al., 1993). However, research focused on understanding business leaders' values as a key driver of environmental sustainability has not explored: 1) why one leader exhibits environmental values that differ from those of others (sources of personal values), and 2) how personal values associated with the natural environment is passed down to new generations (the transmitting of environmental values).

Family businesses provide an appropriate context to study ES engagement and the personal values of leaders and other decision-makers. Chua, Chrisman, and Sharma (1999), define a family business as, "a business governed and managed to shape and pursue the vision of the company held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (p. 23). The dominant coalition is made up of the powerful actors in the organisation who control the overall organisational agenda (Cyert & March, 1963). Thus, family members of one family or a small number of families who manage and control a FB constitute the dominant coalition. The governing parties' vision and desires tend to influence FBs' decision-making and actions and distinguish FBs from non-FBs (Chua et al., 1999). Apart from their ownership and control, factors such as family influence, founders' influence, and transgenerational intention further distinguish FBs as a unique form of business requiring a separate management research agenda (Handler, 1989).

Sharma and Sharma (2011), highlighted how the family household uniquely influences ES engagement of FBs, as the FB's name is intertwined with the family's reputation in the community. Furthermore, Berrone et al. (2010) and Cruz, Larraza - Kintana, et al. (2014) hypothesised that ES engagement of family-controlled firms is mainly driven by their strong intention to protect "socio-emotional wealth" (p. 82), which refers to the nonfinancial aspects



or "affective endowments" (network of relationship with various stakeholders in the society) of family owners.

Given the transgenerational nature of FBs, the study of personal values transmission to new generations is also possible. Founders exhibit a long-term orientation associated with their desire to pass down a healthy business to a new generation (family succession), keep the family reputation intact, and value community connectedness (Berrone et al., 2010; Dick, Wagner, & Pernsteiner, 2021). For example, Schwass (2005), points out that the multigenerational family business is unique, mainly due to its governing structure, and characterised by the family's story and history. A founder's vision is embedded in the locality and family context. The vision becomes the guiding principle for the new generation of in their business decisions and conduct.

It remains unclear why some FBs exhibit different environmental responses and strong environmental performance, which reaches beyond minimum compliance. As part of this debate, some attention has been given to understanding the difference between FBs and non-FBs engagement with ES. However, the extant literature provides mixed and confusing explanations of the differences (Adams, Taschian, & Shore, 1996; Berrone et al., 2010). For example, according to Berrone et al. (2010), family-controlled public firms have better environmental performance than their nonfamily counterparts. However, Breton-Miller and Miller (2016) point to a darker side of FBs due to unique characteristics such as parental altruism (protecting siblings at the cost of society and stakeholders) and conflicts among family members. Arena and Michelon (2018), in their comparison of environmental disclosure of family and nonfamily firms, found that family firms for which family control and influence over socioemotional wealth dimension is most salient provide less environmental information than nonfamily firms (p. 1597). In contrast, Campopiano and De Massis (2015), found that "in comparison to nonfamily firms, family firms disseminate a greater variety of CSR reports, are less compliant with CSR standards and place emphasis on different CSR topics" (p. 512). Among these comparisons, few researchers (e.g., Bingham, Dyer Jr, Smith, and Adams (2011); Zientara (2017); and Gavana, Gottardo, and Moisello (2017) recognised that family firms are more sensitive to the perspectives of the external stakeholders (media, community, customers, employees) regarding social and environmental responsibility of the firm than nonfamily counterparts because of the family involvement in the business.

These findings imply that the mixed results and contradictions between the extant research findings are mainly due to family-specific factors, for example, family embeddedness in the locality, the founder's desire to preserve family name and identity, and intention to transfer the business. Most studies, however, treat FBs as homogeneous entities and in so doing either attempt to compare FBs with non-family firms or look for drivers of ES in general. However, little attention has been given to understanding how family differences affect the heterogeneity of environmental behaviour and management practices in FBs.

Variables that differentiate one family firm from another (heterogeneity) have not been adequately explored by researchers who assume that family firms are homogeneous in nature. As Jaskiewicz and Dyer (2017) recently explained, "Over the years, thoughtful scholars have left us compelling reminders that differences among families shape family business goals, behaviours, and outcomes, Yet the integration of prevalent family differences in theory building and empirical testing in the context of family business is still in its infancy" (p. 112). Therefore, the heterogeneity of family business can explain the different social and environmentally responsible behaviour of family firms (Marques et al. 2014).

In conclusion, the extant research has compared family and nonfamily firms but has not considered the heterogeneities between FBs regarding ES. Sharing and transmitting essential values has a positive impact on the performance of a firm and is critical to its surviving in a highly competitive environment, yet there is a gap in the research related to the heterogeneity and process of environmental value formation and transmission within FBs.

## **1.2 Research gaps and research questions**

This section presents a brief discussion of the research gaps, objectives, and questions investigated using the three interrelated manuscripts.

***Manuscript 1: How and why family firms are different? Environmental sustainability in family businesses.***

*Status:* Received a "revise and resubmit" from the FT-50 publication, *Journal of Business Ethics*, but ultimately was rejected. The manuscript has been revised based on reviewer feedback and submitted to the A-ranked (ABDC) journal, *Organisation and Environment*. An earlier version of this manuscript was presented at: Sustainability, Ethics and Entrepreneurship (SEE) Conference. Washington D.C., USA. 2018.

Research around family businesses' green activities has increased over the last 20 years and developed our understanding of family firms' engagement with the natural environment (Cambra-Fierro, Hart, & Polo-Redondo, 2008; Dayan, Ng, & Ndubisi, 2019; Sharma & Sharma, 2011; Yu et al., 2021). The extant research focused on understanding whether family firms perform better than their nonfamily counterparts on ES (Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014; Dangelico, Nastasi, & Pisa, 2019; Neubaum, Dibrell, & Craig, 2012) but produced inconclusive findings (Bingham et al., 2011). Also, most studies oversimplified and treated family businesses as homogeneous entities (Jaskiewicz & Dyer, 2017), and in so doing either attempted to compare family businesses with nonfamily firms or looked for drivers of ES in general (Dekker & Hasso, 2016; Panwar, Paul, Nybakk, Hansen, & Thompson, 2014; Tyler et al., 2020). As most of these studies provide mixed and confusing explanations of the differences between FBs and non-FBs regarding their environmental engagement, a comprehensive review that contributes to our understanding of FBs' green operations is required. In addition, the question of why and how heterogeneities exist in ES engagement among family firms has not been adequately addressed.

The theory of family logics and familiness are used in this manuscript to explain family-related variables. Familial logics are the entrepreneurial orientations of family owners that reflect nurturing (financial security), generativity (guiding and next generation mentoring) and loyalty to the family (protecting the family name) so that family members bestow legitimacy on those serving the family needs (Miller, Breton-Miller, & Lester, 2011). Habbershon & Williams, 1999, identified the bundle of distinctive resources resulting from family involvement in a family firm as "familiness." Since its introduction, various authors have used the familiness construct in many different ways to understand the antecedents, types and levels of familiness (Basco, 2015; Chrisman, Sharma, Steier, & Chua, 2013; Christina Anna Elisabeth & Schulte, 2017).

Therefore, this paper (Chapter 2), with the broader aim of inquiring about the antecedents and consequences of heterogeneities among family firms related to ES, addresses the following research questions.

**RQ1:** How has the extant research portrayed the association between familial logics and familiness related to ES engagement of family firms?

**RQ2:** Why and how do heterogeneities exist in ES engagement among family firms?

***Manuscript 2: Family logics and environmental sustainability: A study of the New Zealand wine industry***

Status: Received a “revise and resubmit” to the A-ranked (ABDC) journal, *Business Strategy and the Environment*. It was accepted and published online (<http://doi.org/10.1002/bse.2823>). An earlier version of this manuscript was presented at the Australian & New Zealand Academy of Management Conference (ANZAM), Cairns, Australia, December 2019.

From Manuscript 1, it was concluded that family involvement in the family business itself is the primary source of heterogeneities among family firms in their approach to ES engagement. The broader goal of Manuscript 2 was to empirically investigate family involvement in the ES engagement of family firms. The New Zealand wine industry was selected as the field of study. Given that these families operate in the same industry, most external variables, such as institutional pressure, were similar, allowing clarity around FB heterogeneities. Most SMEs in the wine industry are family-owned and operated companies (Fernández Olmos & Malorgio, 2020). The family name, family estate, and family identity in the local community are integrated into the brand, marketing and business strategy (Woodfield, 2014; Woodfield & Nel, 2015). Collectively, these studies highlight the critical role family plays in the wine industry.

Therefore, this paper aims to investigate the antecedents of heterogeneities among family firms related to ES. The paper aims to understand how family firms portray different aspects of family influence (family goals, family values, culture and ethics, the founders, and the next generation) in their ES disclosures. The research questions addressed in Manuscript 2 (Chapter 3) are as follows:

***RQ3:*** How does family influence ES engagement in family firms?

***RQ4:*** What family variables could lead to heterogeneities among family firms in their engagement with ES?

These research questions aim to achieve the following research objectives: (1) Understand the influence of family over the ES engagement in family firms, (2) Identify which family logic has the most explanatory power for family firms to engage in ES, (3) Identify family variables that could lead to heterogeneities among family firms in their engagement with ES and, (4) Develop typologies of family businesses based on the identified heterogeneities.

***Manuscript 3: They look like us, but will their values look like ours? Environmental values transmission in family businesses***

*Status:* This was accepted as a full paper for the International Family Enterprise Research Academy virtual conference 14-25 June 2021(IFERA 2021). I revised the paper based on feedback from reviewers and resubmitted it to the conference. This manuscript has been accepted for a paper development workshop (PDW) (at IFERA 2021) with an editor of a leading journal in the field of family business. The target outlet for this manuscript is the *Journal of Family Business Review*, to be submitted after feedback from the PDW.

From the above two studies, it was identified that the personal values of founding owners and family values is a critical family logic that determines the level and the type of ES engagement of family firms. The continuity of the family legacy and culture (Björnberg & Nicholson, 2012) as a socially and environmentally responsible business via the next generation (NxG) has not been adequately addressed. In addition, critical knowledge gaps remain in the extant research related to intergenerational differences in environmental values (founding and the NxG) and the possible impact of those differences over the continuity of an environmental legacy in the family business. Therefore, the broader goal of this paper is to empirically investigate the environmental values formation, transmission, and legacy continuity in the family business. Manuscript 3 (Chapter 4) explored the following research questions:

***RQ5:*** How do the NxG family members form their environmental values (*values formation*)?

***RQ6:*** How are the environmental values of the founders transmitted across generations (*values transmission*)?

***RQ7:*** How family firms can continue an environmental value legacy? (*Legacy continuity*)?

Answering these research questions helped explain why different family firms exhibit different levels and types of engagement with ES.

### **1.3 Research context**

The context for this research is family businesses operating in New Zealand's wine industry. Sustainable Winegrowing New Zealand (SWNZ) is an industry-wide certification programme led by New Zealand Winegrowers - the national organisation for New Zealand's grape and wine sector. SWNZ is widely recognised as a world-leading sustainability programme; in 1997,

it was one of the first established in the international wine industry ([www.nzwine.com](http://www.nzwine.com)). By 2020, 98% of New Zealand's vineyard producing areas were SWNZ certified, with 7% operating under recognised certified organic programmes. (New Zealand Winegrowers, 2016). The programme covers six sustainability focus areas: water; waste; pest and disease; soil, climate change, and people. The Sustainability Guardians programme was launched with the focus on making sustainability a key differentiating factor for New Zealand wine products as the industry recovers from the impacts of COVID-19 (New Zealand Winegrowers, 2020).

The wine industry in New Zealand is uniquely suited as the field of study for the following reasons. First, most of the industry is owned and operated by small to medium-sized family businesses (Bresciani, Giacosa, Broccardo, & Culasso, 2016; Brundin & Wigren-Kristoferson, 2013). Secondly, these firms enjoy a similar institutional environment, allowing a closer focus on how family involvement in the business differentiates their ES engagement. The founder's name, family history, and the intergenerational land where the family business operates, all contribute to the wine brand (Strickland, Smith-Maguire, & Frost, 2013). The grape growing, winemaking, brewing and many other wine-producing processes are built around the family's culture and traditions. Thirdly, ES is critical for the wine industry as the industry is highly vulnerable to climate change ([www.nzwine.com](http://www.nzwine.com)), with changes in wind, rain and humidity affecting the quality of the grapes and harvest. Thus, our study sample is positively predisposed to ES engagement.

## **1.4 Research design**

This section presents the ontological and epistemological assumptions underlying the study and the research methodology.

### **1.4.1 Ontology**

Ontology and epistemology are two of the critical variables that lead to variations in qualitative studies.

The constructivism paradigm (social constructivism) and interpretivism perspective were adopted. I now believe that there is no single reality or truth. However, individuals in a particular group create reality, or their reality is dependent on the context within which they operate or socialise. In applying that concept to my research, I assumed that environmental

values might differ from one individual to another, from firm to firm, and from nation to nation, based on various contextual factors. Earlier researchers, for example, Gringeri, Barusch, and Cambron (2013, p. 4); Taylor (2016), stated that “ontology questioned, whether or not there is a social reality that exists independently of human conceptions and interpretations or whether there is a shared social reality or only multiple, context-specific ones”. Hence, I firmly believe that understanding how different decision-makers interact with the natural environment within a given context is necessary to build an association between values and ES engagement and, consequently, to understand sources of heterogeneities among family firms in their engagement with ES.

There are other ways of understanding social reality, for example, via disclosure analysis and qualitative content analysis. The information disclosed by various units (for example, ES reports of family firms) are a product or an object of their social reality, and this information also represents the context (country, industry, family, and family firm). Therefore, this information can be used to understand its context or social reality by locating this information historically and socially. Hardy, Harley, and Phillips (2004), for example, stated that “social reality is not something that we uncover, but something that we actively create through meaningful interaction” (p. 19). Hence, qualitative content analysis and disclosure analysis are founded on a strong social constructivist epistemology (Hardy et al., 2004).

Therefore, the social constructivist position was adopted to reveal the ES disposition of the individuals, family, and the organisation embedded in the ES disclosures. Social constructivism believes that (a) human beings rationalise their experience by creating a model of how society works and the way that it functions and (b) the belief in language as the essential system through which humans construct reality (Amineh & Asl, 2015). For example,

“The social constructionism is not interested to create maps; it surprises the processes that maps form. Our maps are formed from our experience and how we perceive them. All our maps are different maps of the same world. Each of us creates our own worlds from our perceptions of the actual world. The social constructionism sees the language, the communication and speech as having the central role of the interactive process through which we understand the world and ourselves” (Galbin, 2014, p. 82).

However, the social constructivist position has been criticised by positivists, implying that disclosure or the use of language does not always represent the context or the individual or the organisation accurately (Jones, 2007). However, many social ontology researchers have

highlighted social constructivism as essential to developing a connection between the actors and the environment (both social and natural) (Hay, 2016).

### **1.4.2 Epistemology**

Epistemology, in its simplest form, is the philosophy of knowledge. It is concerned with how information is acquired and from what sources. According to Fekede Tuli (2010), "Epistemology addresses the following questions: What is the connection between the knower and the known?" How did we come to know what we know? What qualifies as knowledge?" (P. 100). This thesis is guided by a "interpretivist-constructivist perspective, which is a theoretical framework used by qualitative researchers (Maxwell, 2006; Bogdan & Biklen, 1992; Guba and Lincoln, 1985) who saw the "world as constructed, interpreted, and experienced by people in their interactions with one another and with larger social systems." (Fekede Tuli, 2010, p. 100)

An interpretivist-constructivist perspective to gathering, analysing, and evaluating information and truth was adopted. Because I think that I am a participant in the study (the researcher), I believe that data interpretation can never be completely impartial and detached from the investigation. As an interpretivist, I am interested in particular contextualised settings and recognise that reality and knowledge are not objective but are affected by the people who inhabit them. For example, the thesis seeks to comprehend the social context in which next generation family members develop their environmental values; the objective is not to generalise the findings to a broad population, but rather to comprehend the phenomenon.

A qualitative method was adopted to inquiry into the reality by conducting: qualitative content analysis of the corporate website of family firms (Manuscript 2), and case studies (Manuscript 3). The knowledge obtained in this research results from a careful induction process, where I tried to derive patterns by observing a specific context (New Zealand wine industry) selected for the study. I believe that through first-hand experience, I can gain a better understanding of family businesses, their engagement with ES, and the way they develop and transfer environmental values between generations of family members, by truthfully reporting and quoting actual conversations from the perspectives of insiders. (Merriam, 1998; Tuli, Fekede, 2010). Thus, for example, interviews conducted as part of case studies enabled a rich and comprehensive description of the social and economic circumstances that shape the next generation's values and family logics that influence ES decisions of firms. I have applied



different methods in the three manuscripts. The following section includes brief details about those methods.

### **1.4.3 Methods**

Manuscript 1 (Chapter 2) provides a literature review that examines the association between family logics, ethics, values, and family culture related to ES engagement of family firms. A systematic literature review was conducted to select articles to ensure a replicable, transparent process with a minimum bias (Tranfield, Denyer, & Smart, 2003; Vazquez, 2018). The review was implemented in three stages: searching, screening, and extraction and synthesis using a similar approach to Tranfield et al. (2003). These stages will be explained in detail in the method section of Manuscript 1 (Chapter 2). The literature review confirmed that the family is a critical variable that leads to heterogeneities among family firms in their approach to ES. Secondly, the paper integrates extant research on family firms' heterogeneity and uses it as an alternative explanation for mixed and inconsistent results relating to the comparison of family and nonfamily businesses related to ES engagement.

Manuscript 2 (Chapter 3) empirically reviewed the findings of Manuscript 1 (Chapter 2). Manuscript 2 (Chapter 3) used a qualitative content analysis (QulCA) of information disclosure in corporate websites of family-owned firms operating in the New Zealand wine industry. QulCA is more similar and compatible with disclosure analysis and its underlying assumptions. The ontology perspective of QulCA is different from that of traditional content analysis, which focused purely on quantitative analysis, counting of text, and statistical rigour. These factors are supported by extant researchers Hardy et al. (2004), who discussed the difference between disclosure analysis and content analysis (quantitative). QulCA enables the researcher to analyse or interpret how reality has been produced. "It is impossible to strip disclosure from broader context" (Hardy et al., 2004).

A qualitative content analysis (coding, categorising, and developing themes and theoretical categories) was conducted. Based on theoretical sampling techniques, the corporate websites of 72 family firms were analysed. The stages of the qualitative content analysis will be explained in detail in the method section of Manuscript 2 (Chapter 3). From this analysis, it was confirmed that the personal values of founding owners and family values play a critical role in the ES engagement of family firms.

Manuscript 3 (Chapter 4) was developed from the findings of Manuscript 2 (Chapter 3) and focused on understanding how environmental values are formed and transmit across generations to continue an environmental legacy in family businesses. Manuscript 3 (Chapter 4) was developed using a multiple case study method. Four case studies were selected. Many researchers for example, De Massis, Kotlar, Frattini, Chrisman, and Nordqvist (2016); Howorth and Assaraf Ali (2001); Woodfield (2017) have utilised the case study method to investigate a wide range of issues in family businesses. The cases selected for Manuscript 3 were heterogeneous and considered: the levels of environmental engagement, transgenerational intention, and the NxG in the ES decisions and actions of the family businesses. Those case studies met the following criteria for selection: (1) family-owned (the majority of shares owned by the family) and operated, (2) the corporate website of each firm provided information on their environmentally sustainable activities, profiles and background of both the founding generation (parents) and the NxG, and (3) ability to obtain at least one interview from each family firm. The data collection was conducted during the period of the Covid-2019 pandemic. Multiple data sources were used. A detailed discussion of the case study method used in this research is presented in Manuscript 3 (Chapter 4).

The following table (Table 1) summarises all the research methods employed in the thesis.

Table 1. Research methods used

<b>Manuscript</b>	<b>Focus</b>	<b>Research Question</b>	<b>Method</b>
Manuscript 1	This study focused on understanding how and why family firms are different (heterogeneous) in their engagement with ES. It posited a causal link between family logics, familiness and family firm's engagement with ES.	<i><b>RQ1:</b> How have the extant researchers portrayed the association between familial logics, familiness, family firms' values, ethics and culture related to ES engagement?</i>  <i><b>RQ2:</b> Why and how heterogeneities exist in ES engagement among family firms?</i>	<i>Structured Literature Review</i>
Manuscript 2	To empirically investigate the antecedents of heterogeneities among family firms related to ES using the New Zealand Wine industry as the research context.	<i><b>RQ3:</b> How family influences ES engagement in family firms?</i>  <i><b>RQ4:</b> What family variables could lead to heterogeneities among family firms in their engagement with ES?</i>	<i>Qualitative content analysis</i>

Manuscript 3	To empirically explore environmental values formation, transmission, and legacy continuity in family businesses	<p><i><b>RQ5:</b> How do the NxG family members form their environmental values (values formation)?</i></p> <p><i><b>RQ6:</b> How are the environmental values of the founders transmitted across generations (values transmission)?</i></p> <p><i><b>RQ7:</b> How family firms can continue an environmental value legacy? (Legacy continuity)??</i></p>	Multiple case study, using semi-structured interviews
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## 1.5 Thesis structure

This document consists of five chapters. Chapter 1 provides an overview of the study. It describes the research background and research motivation, introduces the research gaps and research questions, explains the research design and the significance of the research, and details the structure of the thesis.

The main body of the thesis comprises three chapters based on three manuscripts. Chapter 2 (Manuscript 1) presents a structured literature review that evaluates the body of knowledge on the intersection of family firms and ES and discusses heterogeneities among family firms in their approach to ES.

Chapter 3 (Manuscript 2) is a qualitative content analysis of the information disclosed in corporate websites. It aims to understand how family firms portray the family influence (in terms of the founder, next generation, family values, culture, history, goals, and geographical embeddedness) in their environmental disclosure.

Chapter 4 (Manuscript 3) is based on two qualitative methods - a qualitative content analysis and multiple case studies about the socialisation context of the founding and the next generation family members -to investigate the processes and means of environmental values formation, and transmission in family businesses. This chapter also identifies possible scenarios where the next generation might continue the environmental legacy of their parents or the founding generation.

Chapter 5 summarises the thesis and its findings. Theoretical and practical implications are outlined, and the original contributions of the thesis are highlighted. Limitations of the research and future research directions are discussed. The final section of the document contains the references and the appendices.

## **1.6 Conclusion and thesis contribution**

The primary purpose of this research is to contribute to the FB and ES literature by examining the relationship between businesses and the natural environment in the specific context of FBs. As a common form of business worldwide, family businesses have not been adequately explored by ES researchers (Berrone et al., 2010; J. Craig & Dibrell, 2006; Dekker & Hasso, 2016; Sharma & Sharma, 2011). The extant literature provides mixed and confusing explanations of the differences between FBs and nonfamily businesses regarding their environmental engagement (Breton-Miller & Miller, 2016). Hence, this research is significant as it addresses critical gaps in the existing ES literature regarding heterogeneity in family firms and the continuity of an environmental legacy in the family business.

To address the above gaps, the first contribution of this thesis is to theoretically and empirically review the “family behind the family firm” to explain how variations in the family variables influence heterogeneities among family firms in their approach to ES. The thesis addresses the call for more research focused on family heterogeneities, for example, Binz Astrachan, Astrachan, Kotlar, and Michiels (2021) stated that:

“The concept of family-practice fit, suggesting that characteristics of the owning family, which are expressions of family heterogeneity, should be aligned with the practices used to manage the family and its intersection with the business in order to facilitate goal attainment. In focusing on the family as a unit of analysis, our conceptualisation follows the calls for a more nuanced understanding of the family behind the firm” (p.1).

The first two manuscripts addressed the above research gap as follows. Manuscript 1 integrated the disparate literature on ES and family firms to understand how family logics and family resources differences lead to heterogeneities in family firms' ES engagement (See Chapter two, Figure 1, Conceptual Model). Manuscript 2 empirically investigated and used heterogeneity among family firms as an alternative for the question, “Are family firms more or less socially and environmentally responsible than their nonfamily counterparts?” The heterogeneities among family firms provide a different means of understanding mixed findings that can be seen in the extant research that compared family and nonfamily firms regarding their social

and environmental responsibility. I have developed three typologies of family businesses based on identified heterogeneities which is another original contribution of the thesis. These typologies will be discussed in detail in the manuscript 2 (See, Chapter 3/ Manuscript 2, Table 6: Typology of family firms). And how the subsequent chapters deepen my understanding of these typologies will be discussed in the conclusion chapter.

Manuscript 1 and Manuscript 2 applied family firm-specific theories (“family logics” and “familiness”) to explain family influence over ES decisions and activities of the family firms, instead of using general management theories, for example, institutional theory. Contemporary researchers have explained the need for more family-specific theories to understand better the family context (Jaskiewicz, Combs, & Ketchen, 2019). Applying family-specific theories further helps to advance family business as a unique field of study, which requires applying unique theories to address the complex interrelationship between family, founder, next generation, and family firm subsystems. How the family logic and family resources provide a novel way to understand ES engagement of family firms will be discussed in detail in the conclusion chapter, with an articulation of the family logic and familiness as an important theory construct of this thesis.

The second contribution of this thesis is to enhance family business and ES research regarding the continuity of environmental values in family businesses. Although there is considerable research on personal values as a critical driver of corporate voluntary environmental engagement, the sources and transmission of personal values regarding the natural environment have been given little attention (Banerjee, 2001; Hemingway, 2005; Hemingway & MacLagan, 2004; Marshall, Cordano, & Silverman, 2005; G. Papagiannakis & S. Lioukas, 2012). The unique social environment and the transgenerational nature of the family business offer not only a rich context within which to study the sources and to pass down personal values, but also to study the different approaches of FBs and non-FBs to ES (Branzei, Ursacki - Bryant, Vertinsky, & Zhang, 2004; Breton-Miller & Miller, 2016; Ruf, Graffius, Wolff, Moog, & Felden, 2021). A conceptual model (Manuscript 3/ Figure 8) was developed in chapter 4/ manuscript three to explain the process of environmental values formation, transmission and legacy continuity.

Continuity of individual values and or family values has been an ongoing discussion regarding pursuing legacy. For example, Hunter and Rowles (2005) found that legacy values are more

important than other legacy forms. As another example, Hammond et al. (2016) present shared family stories and values as part of the family legacy artefacts (examples of other artefacts: bloodline, family status, name, objects, land, and legal patents). The ES and continuity of an environmental legacy in the family business have been overlooked or neglected in the extant research. The chapter 4/ Manuscript 3 include how the thesis has conceptualised the socialisation, resocialisation of environmental values, values transmission and possibility of legacy continuity in the family business. (See, Manuscript 3/ Chapter 4, Figure 8: Conceptual model, environmental values formation, transmission and legacy continuity). The environmental legacy presented in this thesis is distinct from the more well-known concepts of family and entrepreneurial legacy, although it has many of the same characteristics. Chapter 5: Conclusion of the Thesis will go through the differences and similarities in further detail.

Apart from the knowledge gaps identified above, in recent times, researchers have pointed out the need to step back to explore the family's needs and understand the psychological aspects of the interactions between the family and family firms. (Picone et al., 2021; Ruf et al., 2021). Moreover, narratives of the family history and stories may be better ways of understanding the family's social, economic, and emotional relationship with the family firm (Short & Payne, 2020). Manuscript 3 addresses the above research gap and contributes to the family business and ES literature as follows.

The selection of the unique context (New Zealand wine industry) enabled an in-depth understanding of the environmental values of those families, founders and family firms embedded in the geographical location and socially and economically dependent on the natural environment and the local community for survival. Therefore, the research contributes to the extant discussion on environmental values by highlighting that environmental value priorities are developed relative to the context within which an individual relates to the natural environment. The engagement with the natural environment depends on how much that individual is emotionally, economically, and socially bonded with the natural environment. When choosing a research methodology, future researchers should control or consider the contextual variables of the unit of the study. For example, the comparison of values between individuals will be not meaningful unless the context within which each individual socialises their values is carefully understood and explained.

Manuscript 3 also integrated knowledge from other disciplines, for example, environmental psychology and values (Baxter, 1999; Craig et al., 1993; Droz, 2019), psychology (Kim, Park, Kwon, & Koo, 2005), sociology (Bengtson, 1975), child development (Cashmore & Goodnow, 1985), community, work and family (Haugh & McKee, 2003) with family business literature to discuss environmental values formation and transmission in family businesses (Bika, Rosa, & Karakas, 2019). The integration of literature from other disciplines will enable advanced theoretical development in the field of FBs.

In Manuscript 3, as well as interview narratives, family-based ‘success’ stories that guide environmental values and behaviours were studied. Those parts of the written website content that placed importance on the family's non-economic goals was also used to understand environmental values formation, transmission, and continuity in family businesses. Manuscript 3 investigated four business families. Historical development, founding period, founding owners, profiles, the next generation, and intergenerational communication are some of the areas narrated in the interviews. In the last chapter, I'll discuss how these case studies and content analysis have helped me better comprehend the previous chapters.

In summary, this thesis produced the following contributions to the formation of new knowledge in the disciplines of family business and ES studies. To begin, the combination of family logics and familiarity creates a novel and important paradigm for environmental sustainability research. Second, resources are acknowledged as both antecedents and consequences of environmental sustainability in terms of their function in leveraging and creating resources in family companies. Thirdly, the introduction of a new conception: "continuity of environmental legacy" establishes a notion for future academics to examine as a component of family business continuity. Finally, the thesis analyses the intergenerational transmission of environmental values in family enterprises and presents a model that helps to our understanding of this process. This contribution will be discussed in detail in the chapter 5/ Conclusion. The conclusion chapter (5) also includes a review of how each publication links to the previous one and how the succeeding chapters have advanced my knowledge of the conceptual model (chapter 2), typologies of family enterprises (chapter 3), and value transmission (chapter 4).

# **Chapter Two / Manuscript 1: How and Why are Family Firms Different? Environmental Sustainability in Family Businesses**

## **Prelude**

Research at the intersection of family businesses (FBs) and environmental sustainability (ES) has recognized that FBs are different from non-FBs. However, the extant research has tended to treat FBs as homogeneous entities. Recently, family business researchers have started to argue for heterogeneity. The question of why and how heterogeneities exist in ES engagement among FBs has not been adequately examined. This study addresses the gap based on a systematic literature review of 135 journal articles. The theory of family logics and familiness were used to explain family-related variables. We found evidence to show how unique familial institutions and subsequent familiness act as the principal reference point (cognitive frames) for ES decision-making of family member managers, CEO and nonfamily employees. We present heterogeneity among FBs in their approach to ES at different levels (family level, firm-level, and individual level). A conceptual model was developed based on the review.

The manuscript has been submitted to the A-ranked (ABDC) journal, *Organisation and Environment*. An earlier version of this manuscript was presented at: Sustainability, Ethics and Entrepreneurship (SEE) Conference. Washington D.C., USA. 2018. The spelling in this manuscript is in accordance with the thesis requirements and may slightly differ from the submitted version. Appendices of this manuscript are attached at the end of the thesis document. Table and figure captions are labelled separately for manuscript 1.

## **2.1 Introduction**

Family businesses (FBs) have become a prominent economic actor globally (Kim, Fairclough, & Dibrell, 2017; Yu, Zeng, Chen, Meng, & Tam, 2021) and a common form of ownership structure (FERC 2016), accounting for 80%-90% of the world's economy. Consequently, the cumulative impact of FBs on the natural environment should not be ignored (Bianchi, Testa, Boiral, & Iraldo, 2021; Sharma & Sharma, 2011). Environmental sustainability (ES), which is broadly defined as "the maintenance of natural capital" (Goodland 1995), is a growing concern



among family business scholars (Adomako, Amankwah-Amoah, Danso, Konadu, & Owusu-Agyei, 2019; Kim et al., 2017; Morales-Raya, Martín-Tapia, & Ortiz-De-Mandojana, 2019). As evidenced by increasing greenhouse gas emissions, biodiversity loss, and water issues (Collins et al. 2010; Tsai et al. 2020; Schaltegger et al. 2019), business organisations have not met the planet's environmental needs. Shrivastava and Kennelly (2013) stated, “sustainable enterprises are necessary to solve the central problem of human survival—that is, finding ways for 9 billion humans (by 2042) to survive and flourish on earth” (p.83).

Research around FBs’ green activities has increased over the last 20 years and improved our understanding of family firms’ engagement with the natural environment (Cambra-Fierro, Hart, & Polo-Redondo, 2008; Mumin Dayan, Poh Yen Ng, & Nelson Oly Ndubisi, 2019; Sharma & Sharma, 2011; Yu et al., 2021). Most studies, however, oversimplified and treated FBs as homogeneous entities (Jaskiewicz and Dyer 2017), and in so doing either attempt to compare FBs with nonfamily firms or look for drivers of ES in general (Panwar et al. 2014b; Dekker and Hasso 2016; (Tyler et al., 2020). These scholars relied on dichotomous variables (Zellweger et al. 2012), such as socioemotional wealth (SEW) (Mumin Dayan et al., 2019) and family ownership and governance (Arena & Michelon, 2018; Nadeem, Gyapong, & Ahmed, 2020).

Research focused on understanding whether family firms perform better than their nonfamily counterparts on ES (Cruz et al. 2014; Dangelico et al. 2019; Neubaum et al. 2012) has produced inconclusive findings (Bingham, Dyer Jr, Smith, & Adams, 2011). For example, some studies found a positive correlation between family firms and ES, in terms of ownership, governance, control, the influence of the founder, and family influence (Uhlener, Berent-Braun, Jeurissen, & de Wit, 2012). Others found a negative association (Dyer & Whetten, 2006; Wagner, 2010), while a few produced a mixed result (Cruz, Larrazza-Kintana, Garcés-Galdeano, & Berrone, 2014). As most of these studies provide varied and confusing explanations for the differences between FBs and nonFBs regarding their environmental engagement, a comprehensive review is required.

The theory of family logics and familiness are used in this paper to explain family-related variables. Institutional theory has often been used by researchers who focused on understanding the relationship between the natural environment and the human world (Hoffman & Jennings, 2015). Recently, FB researchers have linked institutional logic—a development of institutional

theory—and the idea of multiple, coexisting logics (familial logic, business logic and community logics) to explain the pressure coming from various actors in the field in which family firms operate (Harrington & Strike, 2018; Kariyapperuma & Collins, 2021; Reay et al. 2015; Thornton and Ocasio 1999, 2008). Familial logic can act as a cognitive framework for family members by influencing and controlling their behaviours (Miller, Breton-Miller, & Lester, 2011).

Habershon and Williams (1999), identified the bundle of distinctive resources resulting from family involvement in a family firm as "familiness." Since its introduction, various authors have used the familiness construct in many different ways to understand the antecedents, types and levels of familiness (Basco, 2015; James J. Chrisman, Sharma, Steier, & Chua, 2013; Christina Anna Elisabeth & Schulte, 2017). Familiness has been linked to a unique type of firm performance (Carnes & Ireland, 2013). Research that integrates how different family logics facilitate a distinct set of family resources (familiness) that leads to specific ES outcomes within family firms is under-researched.

Therefore, this paper, with the broader aim of inquiring about the antecedents and consequences of heterogeneities among family firms related to ES, addresses the following research questions.

**RQ1:** How has the extant research portrayed the association between familial logics and familiness related to ES engagement of family firms?

**RQ2:** Why and how do heterogeneities exist in ES engagement among family firms?

This study is based on a systematic literature review of 135 journal articles. Like Vazquez's (2016) review of the literature on FBs and ES, our study combines a systematic approach to selecting articles with a traditional narrative review. This article, therefore, includes a qualitative discussion of the green actions of family firms.

The analysis contributes to theory about organisations and the environment by focusing on ES in a unique organisational context, where family and business systems interact to create products and services (Kim et al., 2017). This paper contributes to the literature in four ways. Firstly, by integrating the literature at the intersection of ES and FBs. To the best of our knowledge, this is the first structured literature review with this focus. Our second contribution is using family-specific theories (familial logics, familiness) to explain the inconsistent results

in the extant research regarding family and nonFBs comparisons related to ES. Our most important contribution is the conceptual model that was developed based on the literature review. Finally, we contribute to the family firm literature on heterogeneity related to ES engagement by identifying antecedents of heterogeneity at different levels (family, individual, and family firm-level).

The remainder of the paper is structured as follows. The following section defines the concepts of familial logics and familiness. Next, we explain the research method and present the results, along with a brief discussion. The final section presents the contributions of the paper and its potential implications for future research.

## **2.2 Theory discussion**

In this section, we briefly define the theoretical perspectives (familial logics and familiness) and ES.

### **2.2.1 Environmental Sustainability**

As major consumers of the natural environment's resources, business organizations depend mainly on the "finite" earth to provide the necessary natural capital (Dyllick and Hockerts 2002) for their survival. In addition, they are at the centre of environmental discussions in terms of both problems and solutions (Welford and Gouldson 1993). Hence, current business organizations can no longer neglect the environmental impact of increasing stakeholder pressure, environmental legislation and customer awareness (Collins et al. 2010; Craig and Dibrell 2006; Hoffman and George 2012; Kirkwood and Walton 2010). To date, a growing body of research has focused on promoting a purposeful approach to managing environmental issues (Ehrenfeld and Hoffman 2013; Henderson 2015; Hoffman and George 2012; Kaldschmidt 2011; Kearins et al. 2010; Kirkwood and Walton 2014). According to Welford (1994), there is also a need to create a culture and set of ethics and values which treats environmental preservation as a top strategic objective of business.

There is, for example, an ongoing debate as to whether family businesses have better environmental performance than non-FBs (Craig and Dibrell 2006; Papagiannakis and Lioukas 2012; Sharma and Sharma 2011; Sharma 2000; Sharma and Vredenburg 1998). There is still no consensus among researchers as to which (family businesses or nonfamily businesses )

perform better, as the extant literature has produced mixed findings (Adams et al. 1996). For example, family firms with the desire to pass on a healthy business to the next generation have been identified as being highly committed to preserving the natural environment (Craig and Dibrell 2006). Furthermore, the attitude and values of managers and leaders of family businesses have also been recognised as a key driver behind firms' voluntary environmental initiatives (Sharma 2000), whereas family altruism (concern about family members' welfare) and conflicts among family members have been identified as key barriers to good environmental strategies (Sharma 2000). The embeddedness of family businesses in their unique social context has been identified as yet another major driver of family businesses' voluntary environmental initiative. As per Astrachan et al. (2020), the family business derives its core values from the owning family and the business system, and both these subsystems reinforce those core values.

Ethical behaviour in business is about adhering to honesty, transparency and fairness in interaction with stakeholders. Ethical behaviour is mostly dependent on an individual's underlying principles and values (Astrachan et al. 2020). Lewis (1985) defined business ethics as “rules, standards, codes, or principles which provide guidelines for morally right behaviour and truthfulness in specific situations” (p. 381). Rules are the moral guidelines that, if followed, will prevent unethical behaviour. Vazquez (2018) stated that there is a considerable lack of research in the context of family business regarding business ethics.

Environmental ethics emerged as a subfield of business ethics around 1949 (York 2009) and began to take form as an academic discipline in the early 1970s (Lars 2010). The purpose of this field is to “provide moral standing to non-human entities, including animals, plants, and ecosystems” (York 2009, p. 101). Environmental ethicists argue that business is mostly governed by a shallow ecological perspective rather than by preserving the natural environment. The new world view is a ‘state of being’ focused on intrinsic value theory of deep ecology on human beliefs, values and behaviour towards the environment (O'Neill et al. 2008; Tilley 2000).

Values are fundamental to human nature and combine with broader social and cultural values (Rokeach 1973). Therefore, values as an indicator of an individual's thoughts and actions can be considered as a fundamental aspect of a person's integration with society and also a means of understanding his/her behaviour (Halisa et al. 2007; Hemingway 2005; Hemingway and MacLagan 2004). Moreover, according to Halisa et al. (2007), an entrepreneur's values manifest

in the unique set of beliefs and lifestyle he/she employs in selecting between ethical and unethical events. These values, therefore, influence the strategies and structure of firms. Furthermore, an entrepreneur's, "communication, interpretation, leadership style, responsibility, [and] decision-making process," are all affected by his/her values (Halisa et al. 2007, p. 21). Within the community, family, corporate, managerial, and cultural value systems are determinants of human society's interaction with the natural environment (Shrivastava 1996). A renewed interest regarding the influence of personal values over the ES engagement can be seen in contemporary society (Kaldschmidt 2011). Significant attention is paid to understanding how leaders' values influence ES engagement in family firms (Banerjee 2001; Papagiannakis and Lioukas 2012).

Hofstede (2009) defined culture as "the collective programming of the mind that distinguishes the members of one group or category of people from others" (p. 3). Thus, culture is associated with a particular group, or ethnic group, tribe or even family. Individuals in a particular collective share beliefs, norms, values and standards that they apply in decision-making and behaviour. Hofstede discussed several dimensions of culture that can differentiate one collective (culture) from another or connect cultures with similar characteristics. Some of those dimensions are power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity and long-term versus short-term orientation. (Hofstede 2009, 2011). Schein (1995) defined culture in terms of the basic pattern of assumptions that a group has invented, discovered or learned in order to cope with its problems of adaptation and internal integration.

Vallejo (2008) confirmed that the culture of family firms differed from that of the non-family firms. The factors that create the differences include family involvement in the business, family members' identification with the family business, loyalty, working atmosphere, trust, participation, reinvestment, leadership and cohesion. Family firms have a unique culture due to the intersection of family, family business and the founder subsystems (Fletcher et al. 2012). Together these subsystems create a set of means or order to solve critical issues or ethical dilemmas.

### **2.2.2 Family business**

This paper applies the definition presented by Chua, Chrisman, and Sharma (1999) who define a family business as, "a business governed and managed with the intention to shape and pursue

the vision of the company held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (Chua, Chrisman, & Sharma, 1999, p. 23). According to Cyert and March (1963), a powerful actor in the organisation is one who controls the overall organisational agenda. For this research, the dominant coalition, therefore, refers to the founder/s of the family business. The dominant coalition includes members of a founding family or a few families. For this reason, the characteristics of the family strongly influence the behaviour of the family firm. FBs are oriented around a family (James J Chrisman, Sharma, & Taggar, 2007; Sharma, Chrisman, & Chua, 1997; Steier, Chua, & Chrisman, 2009). Even though families and businesses have been treated as two separate entities, Aldrich and Cliff (2003) explain that "they are inextricably intertwined" (p. 573). However, little attention has been given to how family differences (heterogeneities) affect the ES engagement of family firms.

Breton-Miller and Miller (2016), suggest that sustainable FBs arise due to a family's desire to pass down a healthy business to the younger generations. Here, the term "healthy" does not necessarily indicate economic profit, but rather an economic, social, and environmental relationship built over years of having a strong connection to the wider community. This approach, in fact, will lead to social and network capital and acceptance of the FBs. For example, family firms with the desire to pass on a healthy business to the next generation have been identified as being highly committed to preserving the natural environment (Craig & Dibrell, 2006). Family altruism (concern about family members' welfare) and conflicts among family members have been identified as key barriers to good environmental strategies (Sharma 2000). As per Astrachan, Binz Astrachan, Campopiano, and Baù (2020), the FB derives its core values from the owning family and the business system, and both these subsystems reinforce those core values.

### **2.2.3 Familial logics**

Institutional logics are formal and informal rules of actions, interaction and interpretation that guide and constrain decision-makers (Thornton & Ocasio, 1999). These logics emerge from the institutional orders of inter-institutional systems, for example, family, religion, democracy, and market capitalism. Logics legitimise actors belonging to a particular group (for example, 'family') (Miller et al., 2011). Therefore, logics can control and mould behaviour. Logics also

provide a cognitive frame for key decision-makers (such as founding owners) where they have a shared perspective with the group (family). These cognitive frameworks and the normative influence of a proximity group such as family exert a significant influence over behaviour of family members (Miller et al., 2011).

Familial logics influence family firms' strategic priorities (Miller et al. 2011; Monti and Salvemini 2014) and firm performance (Dyer Jr. 2006; Peng and Jiang 2010). Familial logics are the entrepreneurial orientations of family owners that reflect nurturing (financial security), generativity (guiding and next generation mentoring) and loyalty to the family (protecting the family name) so that family members bestow legitimacy on those serving the family needs (Miller et al. 2011). For example, SEW is one of the dominant logics often highlighted in the family business literature. SEW is a theoretical aspect that explains family involvement in the business and enables the coexistence of financial and nonfinancial goals in driving a family firm's decisions and actions (Arena & Michelon, 2018).

Long-term orientation is another familial logic that enables the dominant family coalition to make choices that favour long-term financial and nonfinancial goals (Lumpkin and Brigham 2011). For example, preserving the natural environment for future generations and future business sustainability (Berrone et al. 2010; Berrone et al. 2013; Goodland 1995) is a manifestation of long-term familial logics. Transgenerational intention refers to the founding owner's desire to transfer a healthy business to their children. Hence, it acts as another familial logic (Aragón-Amonarriz et al., 2017). Transgenerational intention influences firms to consider sustaining resources for future generations (Aragón-Amonarriz et al., 2017).

Founders of family firms play a critical role in ES, and their imprint often remains even after their retirement. For example, Schwass (2005) explains that a multigenerational family business is unique, mainly due to its governing structure, which is characterised first by the family's story and history, and secondly by a founder's vision embedded in the locality and family context.

Socioemotional wealth, long-term orientation, transgenerational intention, and the imprint of founders are examples of some types of familial logics. The logics interact and overlap with each other rather than operating independently. For example, a family business with transgenerational intentions is also likely to have a long-term orientation. The following section explains how the concept of familiness extends from familial logics.

#### **2.2.4 Familiness**

Reay et al. (2015) state that familial logics could be beneficial and profitable for the family firm when the logics create "familiness." Familiness exists through the family's involvement in the business. When a family holds controlling ownership and is involved in management, it can create greater familiness than family firms with management by nonfamily controlling owners can (Chrisman et al. 2005). Familiness varies from firm to firm based on the dominant logic; it can be both advantageous (distinctive familiness) and disadvantageous (constrictive familiness) (Chrisman et al. 2005; Habbershon et al. 2003). For example, transgenerational intention (familial logics) leads to the institutionalisation of the perceived values of the two systems (the family and the business), suggesting that the cooperation creates benefits for members of the family business, thereby, shaping their behaviour and decisions. While one family firm may have good cooperation, another family firm could face problems from close ownership and management, creating conflicts of interest and inefficiencies, making it either difficult or impossible to create familiness. Zellweger et al. (2010) argue that some families are essential family business resources, while others add little value to their business (p. 54).

An example of familiness is the successful or unsuccessful HR practices for family firms (Hayton 2006). Pearson, Carr, and Shaw (2008) identified structural (network ties), cognitive (shared vision, shared language) and relational dimensions (trust, norms, obligations, and identification) as familiness that leads to efficient and effective information exchange in family firms. According to the authors, familiness provides a family firm with collective goals, actions and emotional support to build firm capabilities. However, this concept has not been linked to family firms' engagement with ES.

In the following section, we discuss the methods used to select the extant research for the review.

### **2.3 Methods**

A systematic literature review was conducted for the selection of articles to ensure a replicable, transparent process with a minimum of bias (Norton, Parker, Zacher, & Ashkanasy, 2015; Tranfield, Denyer, & Smart, 2003; P. Vazquez & Rocha, 2018). We implemented our review in three stages: searching, screening, and extraction and synthesis, using a comparable



approach to Tranfield et al. (2003). We applied the following steps in the systematic search for articles for the review.

### **2.3.1 Search and screening**

First, we searched for articles within ProQuest Management, EBSCO Business Source Premium, and Scopus databases as these provide reliable coverage of high impact journals (Dzhengiz & Niesten, 2020) within the field of business and family business-specific journals. The searches included keywords related to two major categories: "family business" AND "environmental sustainability". (See Appendices/Chapter Two- Manuscript 1: Appendix 1 for a detailed list of keywords.)

This search generated 3,187,727 articles in ProQuest, 988,486 articles in EBSCO Business Source and 25,966 articles in Scopus. We limited our search to English language peer reviewed journals articles in their final stage of publication. Different screening criteria were used for the three databases because of the variance in filter options. (See Appendices/Chapter Two- Manuscript 1: Appendices 1, 2, and 3 for details of the search and screening process.)

The screening process resulted in 184 articles from EBSCO, 140 articles from Proquest Management and 115 articles from Scopus. (See Appendices/Chapter Two- Manuscript 1: Appendices 1, 2, and 3.) We conducted two reads to ensure that the final sample contained the most relevant articles. The first read included the topic and the abstract. We selected articles that included environmental sustainability, sustainability, and social responsibility, and family business-related subject terms in the topic statement or the abstract. We also removed literature reviews. Of 439 articles, 201 were selected, and 27 duplications were removed. One hundred and seventy four articles were left for the full read.

### **2.3.2 Sample**

During the full read, 53 papers were removed from the analysis because the focus of the research was different from the focus area of this review. For example, articles that discussed the "sustainability" of family firms in terms of business survival without having any relation to ES, or corporate social performance, were removed. Papers that examined only the economic and social aspect of CSR were also removed. Those that considered corporate governance without having any connection to the ES of family firms were also excluded. Some of the examples of rejected papers include Ahmad, Rosmini, and Quoquab (2020); Akume and Iguisi

(2020); Litz and Turner (2013); Puspitaningtyas (2020) and (Adendorff & Halkias, 2014). One hundred and twenty-one articles were selected for inclusion in the final sample.

After the review, we selected an additional 14 articles (see Appendices/Chapter Two- Manuscript 1: Appendix 4) to add to our sample. These papers were often cited among the sample papers we had selected earlier. The reason why these extra papers were not included in the systematic selection of papers could result from the use of keywords. We added these papers to our sample because of their contribution to our research discussion. Previous researchers have accepted adding extra papers after the systematic review as a snowballing technique (Dzhengiz & Niesten, 2019) to avoid overlooking important contributions to the extant literature. At the end of the process, we had 135 papers for the analysis. (See Appendices/Chapter Two- Manuscript 1: Appendix 5 for the sample distribution among journal outlets.)

### **2.3.3 Extraction and synthesis**

NVivo 12 was used to code, analyse and identify patterns in the content of the 135 selected articles. Three steps were used in the coding process. First, broader categories were determined (first-order codes) where we extracted sentences or paragraphs or parts of the article which discussed concepts relating to ‘familiness,’ ‘family logics,’ ‘environmental sustainability,’ ‘family firm characteristics,’ and ‘environmental benefits’. (See Table 1 for a list of sample papers used in first-order coding.) Second, each category was analysed to identify more specific codes. In the third step, a link was developed between specific codes to determine theoretical categories. (See Figure 1 for a coding example.)

**Table 1 First order categorisation - Sample articles**

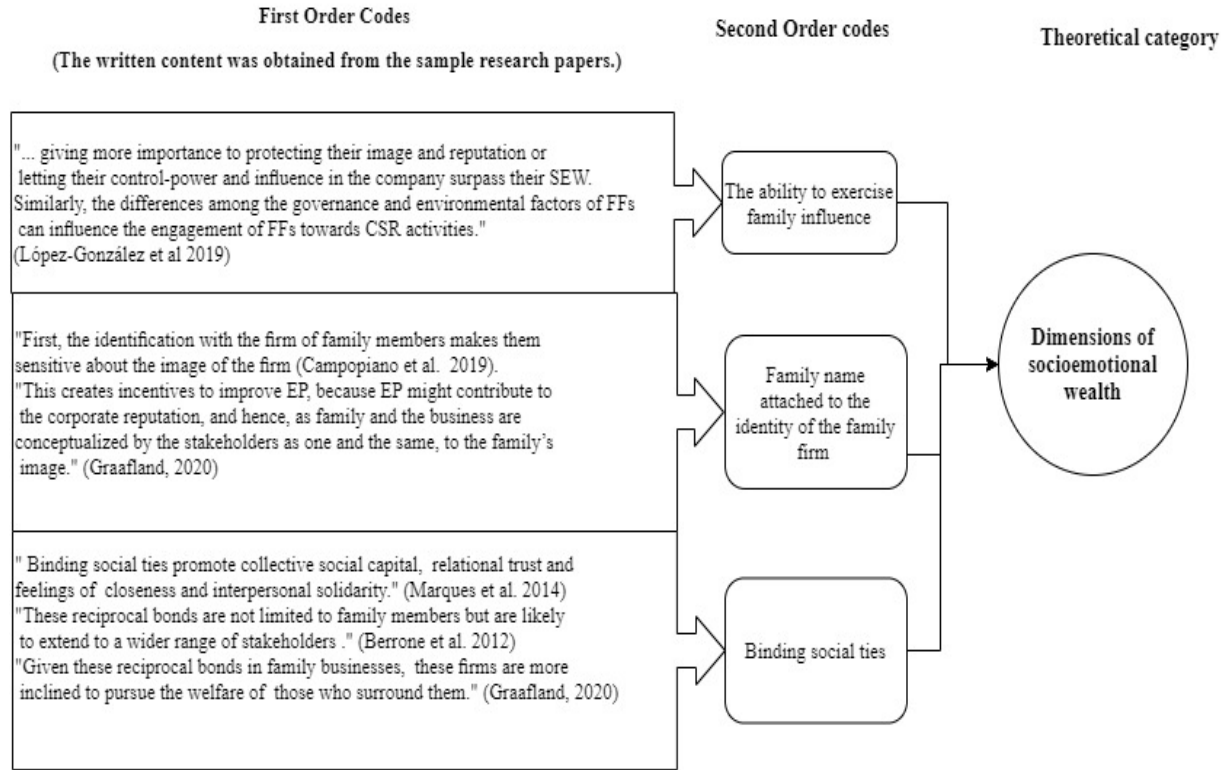
Areas of focus	Variables (First order coding)
<b>Family related variables (conceptual model-A1)</b>	<p>Socioemotional wealth (Arena &amp; Michelon, 2018; Berrone et al., 2010; Biswas et al., 2019; Cabeza-García et al., 2017; Mumin Dayan et al., 2019; de las Heras-Rosas &amp; Herrera, 2020; Erawati et al., 2021; Fehre &amp; Weber, 2019; I. M. García-Sánchez et al., 2021; G. Gavana et al., 2017b; Herrero, 2017; Izzo &amp; Ciaburri, 2018; Kallmuenzer et al., 2018; Kim et al., 2017; Labelle et al., 2018; Li et al., 2020; Marques et al., 2014; Núñez-Cacho et al., 2018; Parra-Domínguez et al., 2021; Samara et al., 2018; Ann Terlaak et al., 2018; Venturelli et al., 2021; Zientara, 2017)</p>
	<p>Family ownership, governance, control and management (Ain et al., 2019; Bingham et al., 2011; J. Block &amp; M. Wagner, 2014; J. H. Block &amp; M. Wagner, 2014; Cabeza-García et al., 2017; Canavati, 2018; Cui et al., 2018; Dal Maso et al., 2020; Díaz-Aguilar &amp; Escalera-Reyes, 2020; Elbaz &amp; Laguir, 2014; G. Gavana et al., 2017b; Hajawiyah et al., 2019; Li et al., 2020; López-González et al., 2019a; Panicker, 2017; Panwar et al., 2014a; Rees &amp; Rodionova, 2015; Rini &amp; Siregar, 2020; P. Sharma &amp; Sharma, 2011; Wagner, 2010; Yu et al., 2021; Zhou, 2014)</p> <p>Family owners' equity(Kumala &amp; Siregar, 2020; Lamb et al., 2017)</p> <p>The level of family ownership and whether a family CEO is in place (Aoi et al., 2015; Ann Terlaak et al., 2018);CEO narcissism(Giovanna Gavana et al., 2017; A. Kim &amp; Lee, 2018; Mahmood et al., 2020); CEO political participation(Du et al., 2018)</p>
	<p>Family members' engagement in the board of directors and decision making (Abdul-Nasser et al., 2018), Board independence (Abdullah et al., 2011; Bansal et al., 2018; Biswas et al., 2019), Board gender composition (Campopiano et al., 2019; Cordeiro et al., 2020; I.-M. García-Sánchez et al., 2021; Nadeem et al., 2020; Sheela Devi et al., 2016); Gender of the family manager (Peake et al., 2017)</p>
	<p>Vision, mission and direction, goals and virtues, of the founding family, and founders (María de la Cruz Déniz &amp; Ma Katiuska Cabrera, 2005; Parada, Samara, Dawson, &amp; Bonet, 2020; Walton, 2014); family values and reputation (Breton-Miller &amp; Miller, 2016; Ertuna et al., 2019) tradition and family culture (Du, 2015; Iaia et al., 2019); personal traits, characteristics and bricolage(Anwar &amp; Clauß, 2021)</p>
	<p>Family Leadership (Singh &amp; Mittal, 2019); family involvement in the top management team(Kim et al., 2017; Sanchez-Famoso et al., 2017), leaders' attitude, values and commitment (Fitzgerald et al., 2010) the personal values of the CEO(Egan, 2019)</p> <p>Family values, owner's self-interest, motivation, obligatory factors, family intention (Re &amp; Giachino, 2018; Sánchez-Medina et al., 2015)</p> <p>motivation and voluntarily engage in improving social and environmental conditions of employees and other stakeholders.(Leoni, 2017)</p>

	Long-term perspective(Breton-Miller & Miller, 2016; Dou et al., 2017; Re & Giachino, 2018; Ryu & Chae, 2021)
	Transgenerational intention, generational effect (Drake, 2018; Maheswari et al., 2018),sustainability across generations (Aragón-Amonarriz et al., 2017)
	Local embeddedness (Local Roots) : family businesses are strongly embedded in their local communities, long-term presence of the business in the community (Díaz-Aguilar & Escalera-Reyes, 2020; Ertuna et al., 2019; Kuttner et al., 2021; Uhlaner et al., 2012); firm’s social embeddedness (Dekker & Hasso, 2016)
	Non- financial goals attentive to internal and external stakeholders; image, protect shareholder interest (Abeysekera & Fernando, 2020; Fassin et al., 2011; Mitchell et al., 2011; Neubaum et al., 2012); image and reputation concerns of the family (Kuttner et al., 2021)
	Family values, Religion of the family as a family logic(Barbera et al., 2020b; Esparza Aguilar, 2019; Fathallah et al., 2020), spirituality (Astrachan et al., 2020; Bhatnagar et al., 2020) and family heritage(De Steur et al., 2020)
<b>Family resources(familiness) (A2)</b>	Family commitment level of collective commitment to sustainability.(Zhou, 2014), family managers commitment oriented towards green practices  Family attitude and resource allocation towards sustainability-based innovations(Carlsen et al., 2001; Craig & Dibrell, 2006; Fitzgerald et al., 2010; Wagner, 2010)  Family control over operations and strategies related to ES (Yu et al., 2021)  Individual assets/ secure control/dominant influence over their family firms(Rey-Garcia & Puig-Raposo, 2013)  Manager/owner’s years of experience in the business, and education (Esparza Aguilar, 2019)
	Willingness and ability to invest in CSR and ES activities (De La Cruz Déniz Déniz & Suárez, 2005; Fitzgerald et al., 2010; María de la Cruz Déniz & Ma Katuska Cabrera, 2005; Panicker, 2017; Singal, 2014); corporate groups(Choi et al., 2018), they can enjoy monopolistic market positioning through their subsidiaries.(Ryu & Chae, 2021); selective investment (Madden et al., 2020); investment in green innovation and technological capabilities(de las Heras-Rosas & Herrera, 2020)

	Financial capital (cheaper internal finance, assets of family members)(Knight et al., 2019; Xiang et al., 2020)
	Strong family brand (Knight et al., 2019)
	The social pressure a family may exert on the firm's directors to conform to pro-environmental management practices (Uhlener et al., 2012) ;family shareholders exert a dual pressure on ownership and management(Martínez-Ferrero et al., 2016)
	Innovativeness (Doluc et al., 2018; Jayakumar, 2017; Knight et al., 2019); natural environmental competency and innovativeness(Dibrell et al., 2015)
	Higher levels of identification, involvement, and loyalty of employees – and organisational commitment to ES (Huang et al., 2014; Vallejo & Langa, 2010)
	Social capital: a board of directors' external and internal social capital through board effectiveness(Sanchez-Famoso et al., 2020) ; internal social capital -family capital (Peake et al., 2017; Sanchez-Famoso et al., 2017)
<b>family firm characteristics that facilitate ES (A3)</b>	Social and ES strategy / or lack of well-articulated strategy (Abdelhalim & Amani Gamal, 2019)
	Morality, moral habits and moral self-improvement (Fathallah et al., 2020)
	Investment in employee environmental training or internal and external environmental accounting(Walker et al., 2014)
	Respect, trust, autonomy, empowerment that is given/ not given, to non-family employees ( by family managers)(Abdullah et al., 2011)
	Tangibility of sector, firm size, innovative orientation (Uhlener et al., 2012)
	Family firm's values (Parada et al., 2020) ; Mindfulness (Mumin Dayan et al., 2019)
	Morally binding values such as religious—, spiritual—values fundamentally alter organisational decision-making and ethical behaviour(Astrachan et al., 2020, p. 638; Bhatnagar et al., 2020)
	The attitudes, subjective norms, and perceived behavioural control of a firm's dominant coalition (P. Sharma & Sharma, 2011).
	Values, judgments they made either in favour of nature, or with some regret against it (Kearins et al., 2010)

	<p>Core values: family provide a moral environment for the employees in the family firm, ethical leadership, in which the development of a specific value or set of values such as integrity, prudence, courage(Duh et al., 2010) (.p.476)</p> <p>An enterprise's culture is stronger if the same values and norms are shared by the majority of co-workers ; and ethical climate of the family firm(Duh et al., 2010) (p 476); Organisational climate (Duh et al., 2010)(p.477</p>
	Organisational social consciousness(Dibrell et al., 2015) ;Family firm ethic (Cambra-Fierro et al., 2008; Fathallah et al., 2020)
<b>Benefits, return and distinctive advantage of ES engagement (A4)</b>	<p>Lower cost of capital, investor trust (Hajawiyah et al., 2019; Wu et al., 2014); a transparent information environment leads to optimistic investment recommendations (Wan-Hussin et al., 2021); future financial performance (Cioca et al., 2020; Giovanna Gavana et al., 2017; Singal, 2014); financial performance (Elbaz &amp; Laguir, 2014; Huang et al., 2014; Mahmood et al., 2020);investment efficiency (Erawati et al., 2021); cost of equity capital(Ain et al., 2019)</p>
	<p>Innovations with high social benefits (Broccardo &amp; Zicari, 2020; Wagner, 2010)</p> <p>Add values to the stakeholders other than shareholders, the stability of profitability and the profitability (Oshika &amp; Saka, 2017), revenue (Gavana et al., 2018)</p> <p>Tax benefits, tax avoidance (López-González et al., 2019b); Reputational advantage (Ann Terlaak et al., 2018; Walker et al., 2014); family wealth and reputation (family's image) (Uhlaner et al., 2012); increases firm value by enhancing the firm's reputation and brand image(Kuttner et al., 2021; Ryu &amp; Chae, 2021); the prestige and good reputation of their families (Erawati et al., 2021)</p>
	<p>Opportunities to enhance the sustainability of their businesses (Cioca et al., 2020; Shields, Welsh, &amp; Shelleman, 2018), firm performance (Broccardo &amp; Zicari, 2020; Craig &amp; Dibrell, 2006; Doluca et al., 2018; Hernández-Perlines &amp; Rung-Hoch, 2017; Huang et al., 2014).</p> <p>To better compete worldwide (Shields et al., 2018); competitive advantages that improve performance of the firm (Sánchez-Medina et al., 2015); competitive advantage (De La Cruz Déniz Déniz &amp; Suárez, 2005; Mahmood et al., 2020; María de la Cruz Déniz &amp; Ma Katuska Cabrera, 2005; Neubaum et al., 2012)</p> <p>Legitimacy(Panwar et al., 2014a)</p>

Figure 1 Second order coding example



This table does not include all the dimensions of socioemotional wealth. This is just an example to show how we have coded in NVIVO. First, we coded sentences, or parts or paragraph of the articles in our sample. Then each paragraph was carefully read to identify specific codes, for example, binding social ties. Then a theoretical category was derived. In the results section, we have used tables to present data gathered through similar coding processes.

## 2.4 Results

### 2.4.1 Sample profile

Fifty-two (38.5%) of the reviewed articles were published in between 2019 and 2021. The earliest article was from 2001 (Carlsen, Getz, & Ali-Knight, 2001), indicating a growing interest in this topic area. Journal outlets covered a wide range of areas: family-specific and small and medium businesses, sustainability, ES and organisation, business ethics, and general business management (see Appendices/Chapter Two- Manuscript 1: Appendix 5).

Thirty-six paper Appendices/Chapter Two- Manuscript 1s (24%) directly discuss the ES of family firms, and 53 papers (39%) discuss corporate social responsibility (CSR) and environmental concerns as part of a broader corporate response. Thirty papers used the broader term “sustainability” and included ES as a section, for example, disclosure of ES engagement (Gavana, Gottardo, & Moisello, 2017b; Iyer & Lulseged, 2013). Only two papers in our sample directly included heterogeneity terms in their topic statements (Fehre & Weber, 2019; Marques, Presas, & Simon, 2014), and both are focused on understanding heterogeneities related to CSR in family firms. The remaining papers related to the ethics, values and culture of family firms and the unique issues of family and business ethics, for example, Duh, Belak, & Milfelner, 2010; Fathallah, Sidani, & Khalil, 2020; Vallejo & Langa, 2010. Based on the sample study, it was concluded that the literature at the intersection of FBs and ES started to emerge around 2006 (Craig & Dibrell, 2006) and is still a developing area.

The review consisted of a considerable number of papers on CSR. However, CSR implies firms’ responsibilities in economic, social, legal, and philanthropic areas, including environmental responsibility. For example, de la Cruz Déniz Déniz and Suárez (2005) stated that those “companies attempt to meet the expectations of society in terms of protecting the environment, developing the community, conserving resources, and philanthropy (p. 29). Therefore, we have included CSR-related papers focusing on understanding the ES behaviour of family firms. For example, Abeysekera and Fernando (2020) study differences in policy toward corporate social responsibility (CSR) between family and nonfamily firms, using environmental performance as the proxy for CSR. Likewise, we have analysed those sections of articles that discuss ES. For example, Yazici, McWilliams, and Seydahmet (2018), compare family and nonfamily firms based on their CSR performance and discuss how environment



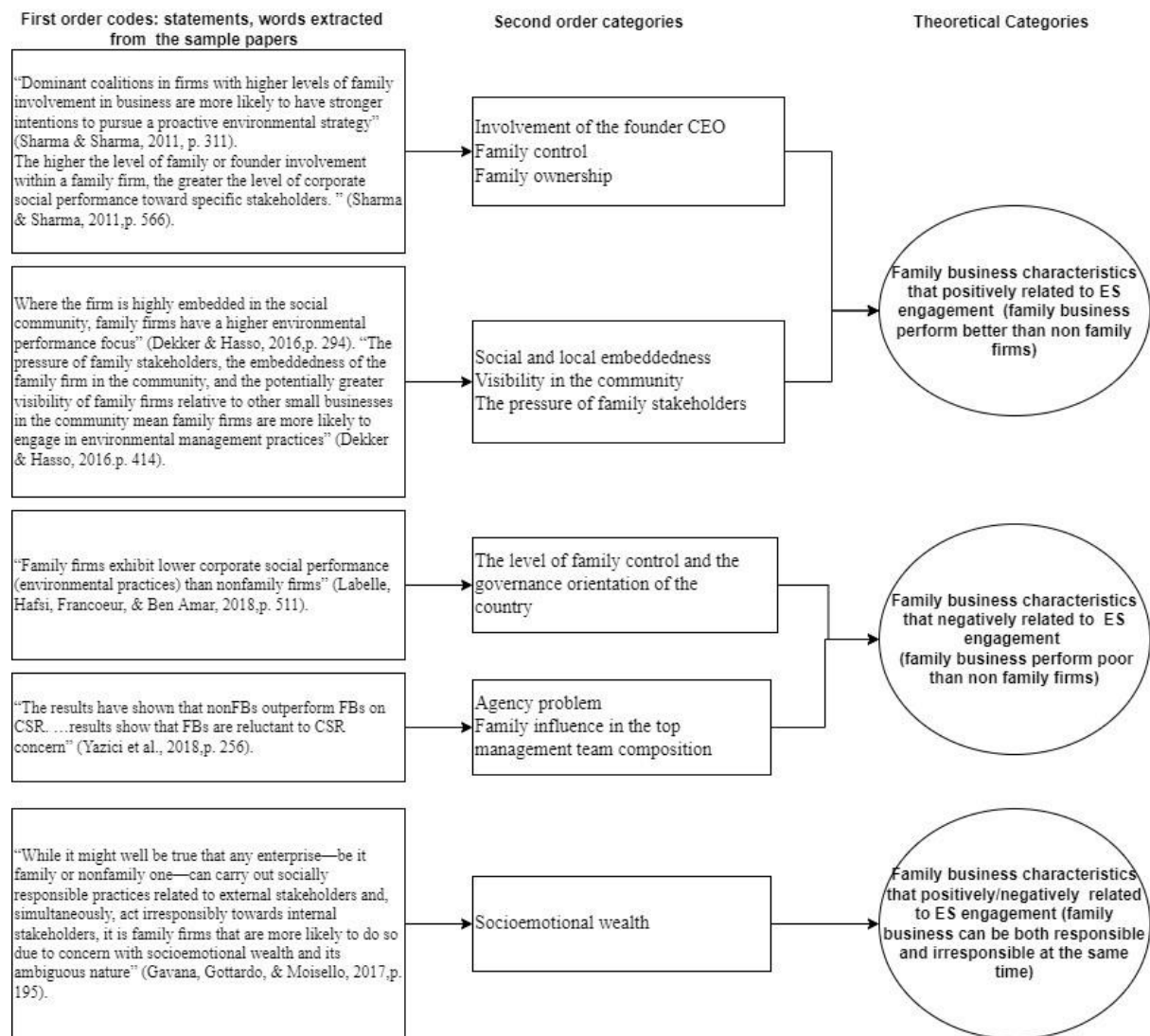
rating evaluates the firm's performance in areas such as environmental policy, environmental reporting, and waste management. During the full read of the papers, we removed CSR articles if they mainly considered just one aspect of corporate social performance, other than ES. For example, papers by K. Kim, Haider, Wu, and Dou (2020) and Niehm, Swinney, and Miller (2008) were removed as they only examined the people or community aspect of CSR.

#### **2.4.2 Family vs nonfamily business - mixed findings**

Nearly 19% of the articles in the sample (see Appendices/Chapter Two- Manuscript 1: Appendix 6: FBs Vs NonFBs) focused on understanding the differences between family and nonfamily firms' approach to ES engagement. These comparisons were based on a wide range of constructs, for example, environmental rating (Yazici et al., 2018), the orientation of stakeholders (Mitchell, Agle, Chrisman, & Spence, 2011), socioemotional wealth (Zientara, 2017), sustainability (Mikušová, Friedrich, & Horváthová, 2020), and investment in a pollution prevention strategy (Fan, Zhang, & Zhu, 2021).

The authors of the articles in the sample concluded that family firms either: (1) performed better (Esparza Aguilar, 2019) or (2) worse than nonfamily firms regarding their ES behaviour. For example, FBs disclosed less environmental information (Arena and Michelon (2018); Nekhili, Nagati, Chtioui, and Rebolledo (2017)). While some studies stated that there is only a minimal difference between family and nonfamily firms regarding business sustainability (Iyer & Lulseged, 2013; Mikušová et al., 2020), most recognized notable differences between family and nonfamily firms, due primarily to the involvement of the family in the business (Bingham et al., 2011). Some researchers explained family involvement, for example, the family's desire to preserve socioemotional wealth, as the main reason for differences between FBs and nonfamily firms (Zientara, 2017). Other researchers used moderating variables, for example, the firm's lifecycle (Arena & Michelon, 2018), owners'/managers' education and experience, and the size of the business (Esparza Aguilar, 2019) to explain differences.

Figure 2 FBs Vs Non- FBs Comparison (Mixed findings)



The above Figure (2) illustrates the second order and theory categories produced from an analysis of sample articles summarised in the Appendix 6, comparing family and non-family businesses. As per the Figure 2, the involvement of the founder CEO, social and local embeddedness, greater visibility in the community, long-term orientation, and the transgenerational intention were mostly positively related with the family firms being more engaged in ES than nonfamily firms (Uhlener et al., 2012). Family control, governance behaviour, agency issues, political rent-seeking and family altruism were mostly negatively related to family firms being less socially and environmentally responsible than nonfamily firms. Family ownership was also recognized as having a negative or no impact on social and

ES decisions (Hajawiyah, Adhariani, & Djakman, 2019). Some authors have explained that family firms are interested and determined to engage in ES activities. However, these are limited by factors such as a lack of a well-articulated strategy, unsustainability of financial models, and political and socio-economic challenges faced by families (Abdelhalim & Amani Gamal, 2019). Similarly, Abdul-Nasser, ElGammal, and Fahed-Sreih (2018), showed that family firms have unsatisfactory environmental performance, as nonfamily managers' willingness to be involved in these activities is negatively influenced by family involvement in the business. In fact, these authors claim that family board members are more focused on satisfying family needs and demands.

Socioemotional wealth has been used both positively and negatively to explain that family firms could be socially and environmentally responsible and irresponsible at the same time (Zientara, 2017). For example, the family firm could disclose environmental information to protect the family reputation in the community if the family ownership positively engages in ES activities. However, if the family owners have not initially committed to ES activities, there is a possibility that the family firm will decide not to disclose information in order to protect the family name and its image. This is an example of the dark side of SEW.

Sometimes, a comparison between family and nonfamily makes it difficult to judge family firms' behaviour, leading to further confusion rather than clarification. For example, Huang, Wong, and Yang (2014), attempted to compare their findings with that of extant researchers:

Our findings are inconsistent with the results of Craig and Dibrell's (2006) study of sample firms in the Western USA, which claimed that family firms have a better ability than nonfamily firms do in promoting innovative practices associated with the natural environment into increased financial performance. However, our finding is consistent with the finding of Chang et al. (2010) that a family-controlled firm might not perform better after investments in new products, due to their conservative attitude or unqualified project-evaluating capabilities on value-enhancing, but risky innovative investments." (p 229)

However, few researchers have explained specific variations that can be seen among family firms without implying that all family firms possess similar characteristics or are homogeneous. For example, Arena and Michelon (2018) and Adomako et al. (2019) compared family and nonfamily firms, and explained variations that can be seen among family firms based on the

family firm's age. Therefore, age is an important factor that might influence the way firms behave towards ES. If the family and nonfamily firm comparison produce reliable results, one should control for those heterogeneities. For example, "By focusing on small companies operating in the same industry, we reduced the risk of unobserved heterogeneity due to differences in firm size and industry of family and nonfamily firms in our sample" (Dangelico et al, 2019, p. 1439). The next set of results focuses on the heterogeneity of FBs related to environmental sustainability.

### **2.4.3 Different levels of heterogeneities among family firms**

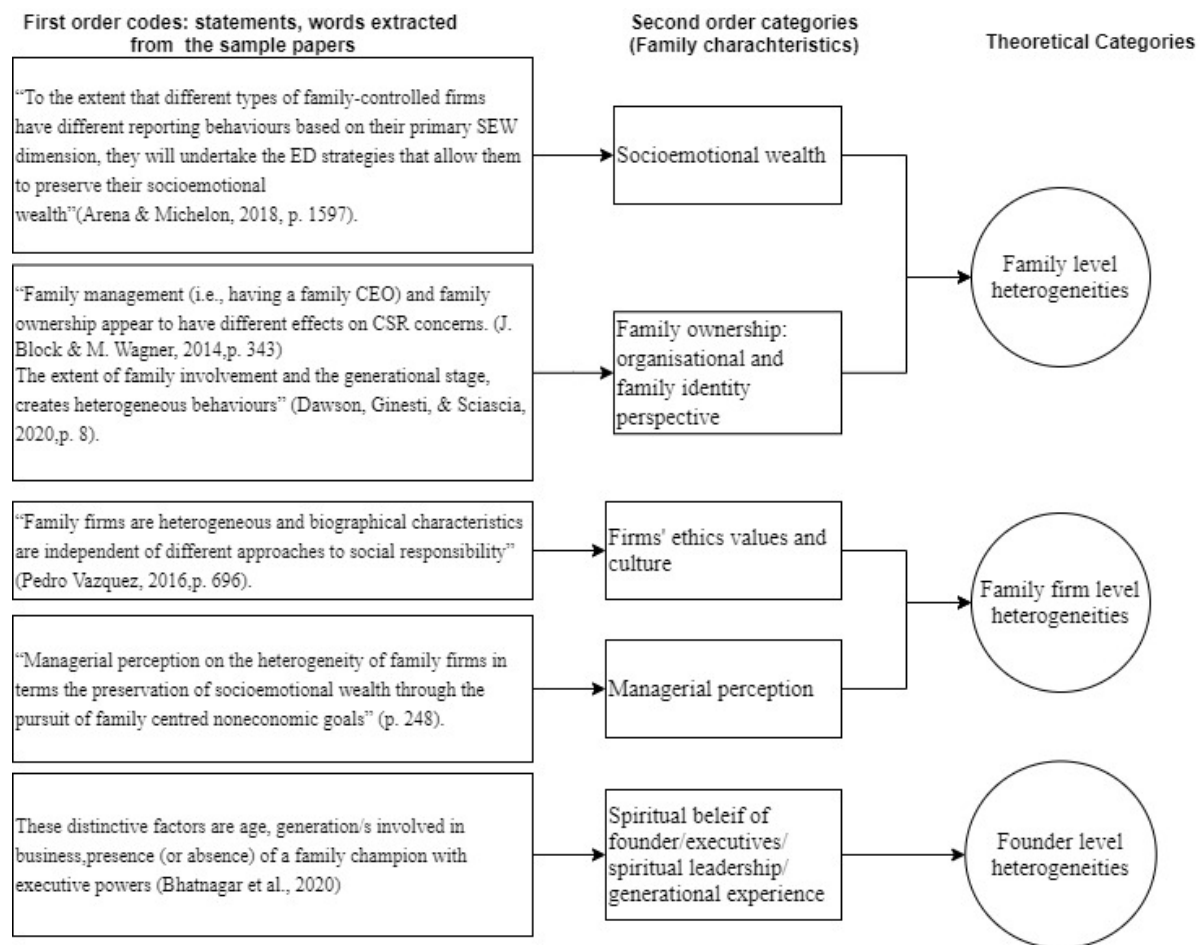
This section discusses the results relating to the heterogeneity of family firms regarding the adoption of ES practices. The conditions and mechanisms that influence family firms' social and environmental responsibility can be considered sources of heterogeneity among firms' behaviour (Marques et al., 2014). Using the NVivo text search features, we found 28 papers that mentioned the word "heterogeneity" in the title or the paper's content. Two papers included heterogeneity in the title, that is, two papers focused on understanding heterogeneities among family firms relative to CSR (Fehre & Weber, 2019; Marques et al., 2014). However, the other 26 articles discussed heterogeneity among family firms as a subpart of their research outcomes. Of these 24 articles, 14 analysed family involvement related to heterogeneities, including SEW and its dimensions (family ownership, management, family member CEO, governance, and family identity), generational stage, and maturity as sources of heterogeneities among family firms. Although we found SEW to be a highly utilised concept, very little attention was given to discussing the emotional dimension of SEW.

Appendix 7 (see Appendices/Chapter Two- Manuscript 1: Appendix 7: Heterogeneities among family firms) lists the antecedents of heterogeneities as explicitly or implicitly discussed in our sample. Appendix 7 includes 17 papers with a considerable discussion of heterogeneities among family firms and their relation to variations in ES engagement.

Among the few researchers who specifically focused on heterogeneities among family firms, some have developed a typology of family firms based on variations (Bhatnagar, Sharma, & Ramachandran, 2020), while others have made a comparison between private and public family firms (Canavati, 2018). SEW and its dimensions, especially family ownership and control, are the most often discussed variation that can be considered as a primary source of heterogeneity among ES behaviour of family firms

Based on the common findings of the extant research, we have categorised the heterogeneities among family firms into three levels: Firm based heterogeneities; Family based heterogeneities; and Founder based heterogeneities. The following figure (See Figure 3: Levels of heterogeneities) articulate the coding process used in deriving the three levels of heterogeneities based on the analysis of sample papers summarised in the Appendix 7.

Figure 3 Levels of heterogeneities



#### 2.4.3.1 Firm-level heterogeneities

The extant research has explained variations among family firms in their ES engagement related to the characteristics of family firms. Firm related factors include: family status and firm age (Adomako et al., 2019), firm's life cycle stage (Arena & Michelon, 2018), implementation of environmental management systems and management values systems (Cambra-Fierro et al., 2008), training and development practices (Dal Maso et al., 2020); firm's motivations, pressures, and green innovation (Dangelico et al., 2019), firm's capability and

managers' characteristics (Niehm et al., 2008), and corporate governance (CEO duality, presence of audit committee) (Biswas et al., 2019).

#### **2.4.3.2 Family-level heterogeneities**

From the review, we found that the family itself is the main or dominant source of heterogeneities among family firms and their approach to ES behaviour (See Figure 3). Some of the family-based sources of heterogeneities we identified through the review include: family control, influence and family identity (Arena & Michelon, 2018; Bansal, Lopez-Perez, & Rodriguez-Ariza, 2018; J. Block & M. Wagner, 2014); family involvement (control, governance) (Cabeza-García, Sacristán-Navarro, & Gómez-Ansón, 2017; Dal Maso et al., 2020; Marques et al., 2014), SEW (Berrone et al., 2010); mindfulness as a dimension of SEW, for example, family characteristics, values and culture (Duh et al., 2010); family members' identification with the family firm (Berrone et al., 2010; Bingham et al., 2011); and religion of the founding family (Fathallah et al., 2020). Aoi, Asaba, Kubota, and Takehara (2015) explained how shares held by the founding family, executives from the founding family and shares held by nonfamily members such as an investment trust, government, or brokerage firms can critically influence social and ES of family firms.

#### **2.4.3.3 Founder-level heterogeneities**

Attitudes, perceptions and practices of the owner (Carlsen et al., 2001; Fassin, Van Rossem, & Buelens, 2011); gender (Cordeiro, Profumo, & Tutore, 2020); founder's involvement (J. Block & M. Wagner, 2014); founder values and founder characteristics, and the attitude of the individual towards their local communities and environment (Fitzgerald, Haynes, Schrank, & Danes, 2010) are some of the individual-level factors that can be a source of heterogeneity among family firms in their approach to ES. Anwar and Clauß (2021) stated that, "family-owned SMEs need to assign resource utilisation tasks to family members having personalities of openness, conscientiousness, and neuroticism because these kinds of people have high capacities for bricolage (effectively managing existing resources, especially during a pandemic" (p.37). Therefore, the characteristics of those family members who are in an influential position of the family firm can impact ES decisions.

It should be noted that understanding heterogeneities among family firms is more complex than the above categories show. First, these categories are not mutually exclusive and second,

variables in one category can be a moderator or a mediator to another category. We will elaborate on this point in the Discussion section.

So far, our results have focused on describing the state of knowledge related to the differences between family and nonFBs and engagement with ES, followed by heterogeneities within FBs. The following section explores family variables that dominate ES decisions and actions of family firms (family logics) and relate these logics with a bundle of tangible and intangible resources the family can produce for their firms.

#### **2.4.4 Family logics, familiness, and family firms**

This section examines the most frequently highlighted family logics cited in the extant literature as influencing ES behaviour in family firms. First, we isolated constructs related to familiness, family logics, family firm variables and ES. Then, we looked into how extant research has developed a connection between these constructs. An important note is that we did not search the literature for the family logics and familiness as separate constructs. Instead, we analysed the relationship (for example, the relationship between religious beliefs, spiritual capital, and the firm's engagement with ES) stated in the literature and then categorized these relationships under themes (family logic and familiness).

Appendix 8 (see Appendices/Chapter Two- Manuscript 1: Appendix 8) lists those papers (16) within which we could clearly decipher an interaction between the constructs. Most articles focused on socioemotional wealth-related family logics (family control, ownership, influence, management, and generational involvement). Two articles focused on family nonfinancial goals. Three articles were about family religion, religious beliefs, religious values and spirituality (religious identity) as family-based institutional factors (family logics) that control or influence the decisions and actions of the family members. Appendices/Chapter Two- Manuscript 1: Appendix 5, presents a detailed list of articles that produced similar variables.

We found that most of the extant research at the intersection of FBs and ES focused on SEW and family control (number of controlling shares held by the family, family member CEO, and number of family members on the board of directors the governance) and family identity. During the period 2011–2020, most researchers used SEW to explain the ES engagement of family firms. Twenty-five articles in the structured literature review applied SEW to explain

family firms' CSR and ES behaviour. The extant research provides mixed results regarding SEW. Berrone, Cruz, and Gomez-Mejia (2012a), for instance, state:

Family owners frame problems regarding assessing how actions will affect socioemotional endowment. When there is a threat to that endowment, the family is willing to make decisions that are not driven by economic logic, and the family would be willing to put the firm at risk if this is what it would take to preserve that endowment (p. 259).

As an example, nonfamily firms might consider the involvement of environmental management practices from cost-benefit perspectives. However, family firms will be driven by their intention to protect their SEW (Berrone et al., 2012a; Berrone et al., 2010; Cennamo, Berrone, Cruz, & Gomez-Mejia, 2012; Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014; Gomez-Mejia, Cruz, Berrone, & De Castro, 2011). Apart from SEW, a recent surge of articles could be seen in family religion, values, culture, spirituality, and relating these family aspects with different types of resources or tangible and intangible capital that the family produced for the family firms. We will discuss the relationship between family logic, family resources and the firm's behaviour in detail with the conceptual model.

Among the variables stated above, "firm's ethics, values and culture" were used more frequently as a firm-specific factor that could influence the level and type of ES engagement. As a result, we conducted a further NVivo text search, which revealed that most articles in our sample used at least one word from "ethics, values or culture" and related those to ES behaviour (or ethical behaviour) in family firms. A few focused on understanding how ethics, values and culture differ across families (heterogeneity) (Marques et al., 2014). Appendix 9 (see Appendices/Chapter Two- Manuscript 1: Appendix 9: Firms ethics values and culture) lists some of the papers that related family involvement in the business to family firms' ethics, values and the resulting outcomes regarding ES.

Values related closely to firms' ethical behaviour (Dieleman & Koning, 2020). Some of the studies in our sample focused on how family values, culture and ethics influence family firms' CSR and ES behaviour (Duh et al., 2010; Sharma & Sharma, 2011). Family culture, values, and ethics influence decision-making aspects such as harmony, acceptance, conflict resolution and communications, and behavioural aspects such as resource allocation and investment regarding ES engagement. Family culture, values and ethics, for example, influence "the degree of involvement of a family in an enterprise and its influence on the enterprise's core

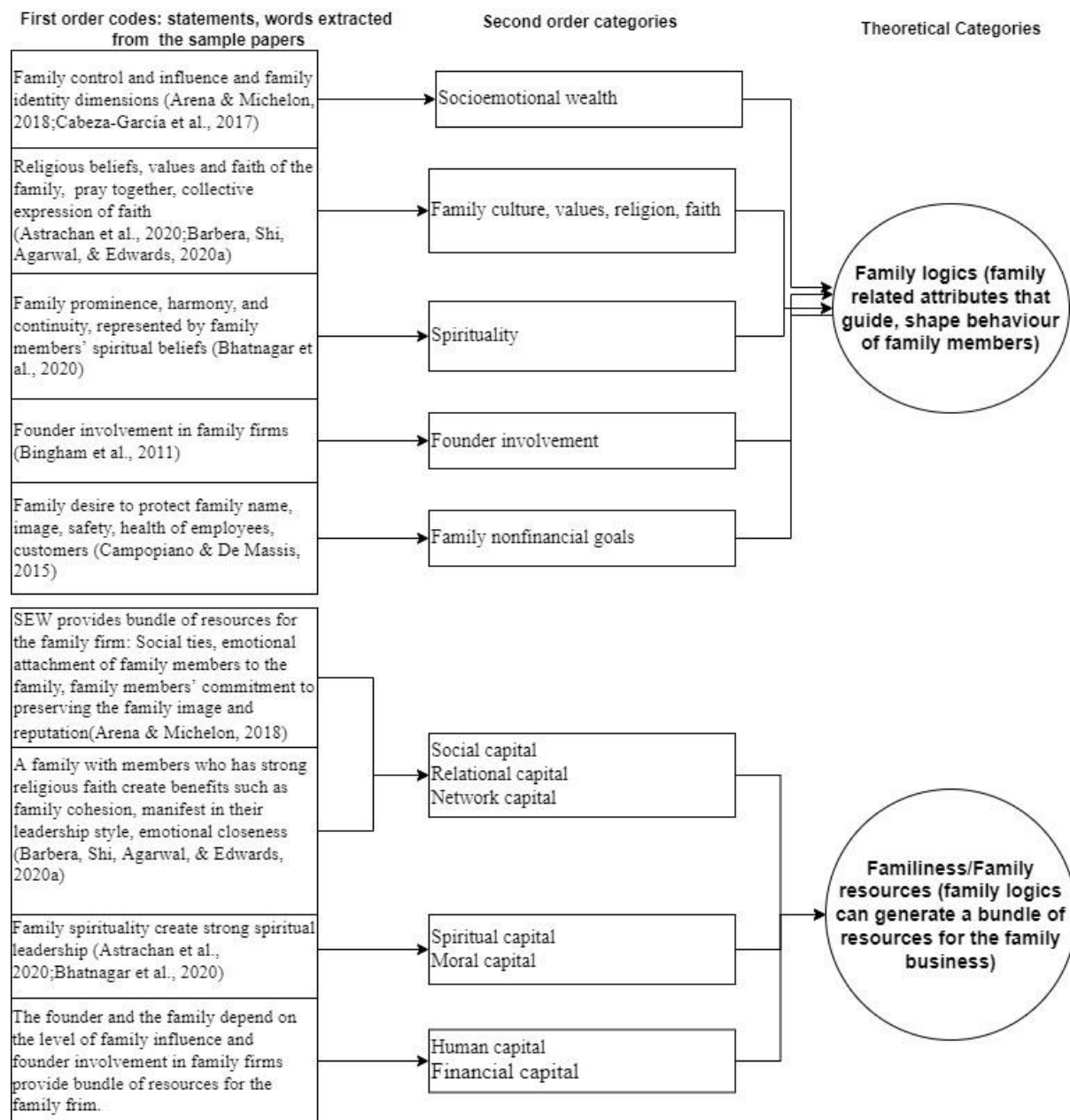


values, culture and ethical climate as the constitutional elements of corporate social and ES behaviour ...” (Duh et al. 2010, p. 473). In general, the extant research has emphasized that the culture in family firms is unique because of the interaction between family and the business subsystems in delivering business objectives.

Apart from the family values, founding owners play a critical role in determining the family firm’s ethics, values and culture. ES researchers have highlighted individual values (Aragón-Amonarriz et al. 2017; Aronoff 2004; García-Álvarez and López-Sintas 2001) as influencing the environmental decisions and actions of family firms. Eleven percent of articles in the sample discussed the influence of the founders and their values using terms such as founder ownership, founder CEO presence, or founder imprinting. Marquis and Tilcsik, (2013) explained imprinting as the way how enterprises take on their founding environment (e.g. financial issues, family interactions and legal issues) and how these elements continue well past the founding stage. The papers highlighted the values of founders as having a significant impact on every aspect of the firm, including ES and social responsibility. Conflicting results were reported for the positive or negative influence of founder values relating to the natural environment.

In summary, we found various family and firm-specific characters (family logics, family resources, family firm’s ethics, and values culture) that determine the type and the level of ES engagement of family firms. The accompanying graphic (See Figure 4) illustrates how we constructed codes and second order-categories for family logics and family resources based on the sample studies cited in the Appendix 8. A similar procedure was utilised for the remaining variables specified in the conceptual model, which will be addressed in the next section.

Figure 4 Family logics and familiness



The Figure 4 further demonstrates the data analysis and coding process that connected our findings together to derive meaningful explanation regarding how and why family firms are different in their approach to ES. The theory categories identified (similar to Figure 3 and 4) above are related in the conceptual model to better articulate the antecedents and outcomes of firms' heterogeneities. In the next section we present a conceptual model (Figure 5) that shows how these variables are connected with family firms' ethics, values and culture and ES along with a discussion on heterogeneities among family firms in their approach to ES.

## 2.5 Discussion

In this section, we revisit the research questions about how family influence ES engagement of family firms.

### 2.5.1 RQ1: How has the extant research portrayed the association between familial logics and familiness related to ES engagement of family firms?

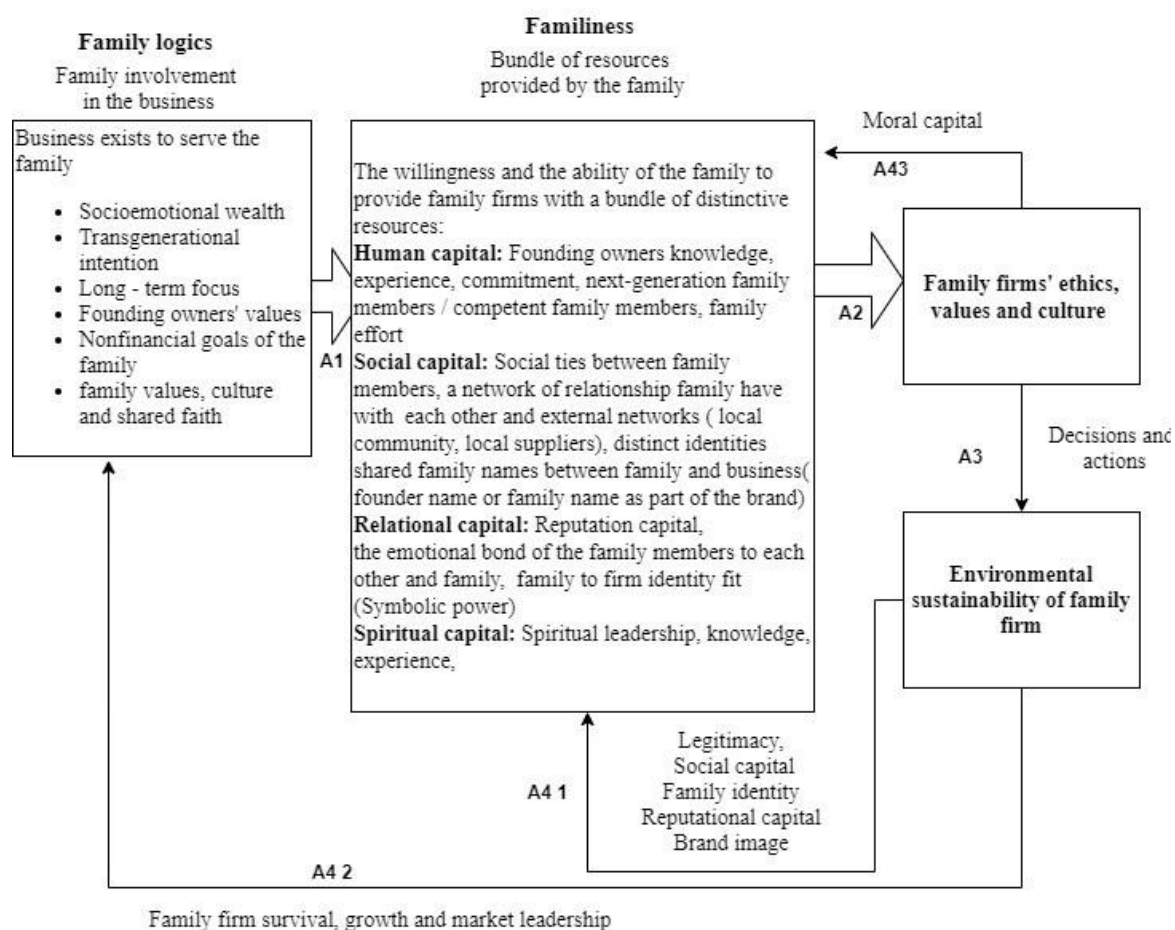


Figure 5. Conceptual model

#### 2.5.1.1 A1: Family logics and familiness

In Figure 5, A1 represents the association between family logic and familiness. We noted that the extant research often explained how family-related factors (familial institutions and familial logics), for instance, SEW and its different dimensions (family name attached with the healthy behaviour and members' trust, loyalty, and commitment), social and local embeddedness,

family culture, traditions and values (including religious), and family nonfinancial goals influence ES engagement of FBs.

These logics create a bundle of tangible and intangible resources (familiness) (Carnes & Ireland, 2013; James J Chrisman, Chua, & Steier, 2005) for the family firm. For example, SEW creates resources such as social ties (e.g., relationships with the local neighbourhood) (Arena & Michelon, 2018), emotional bonds (family members' attachment to protecting the family name and identity), and social capital (a network of relationships with family members, local suppliers, and local community nonfamily employees) (Bingham et al., 2011). In addition, some authors have explained how religion-based family logics (religious identity) create familiness, for example, spiritual capital (Abdelgawad & Zahra, 2020), spiritual leadership (Astrachan et al., 2020), and family cohesion and closeness (Barbera, Shi, Agarwal, & Edwards, 2020b) within the family. Spiritual capital, for instance, can “be internal or external, and refers to one's willingness to engage with communities with similar or different interpretations of their faith” (Astrachan et al., 2020).

We discussed earlier how these logics vary across family firms. For example, different families have different family culture, traditions and values. Therefore, the bundle of resources created by each family is different and can either positively or negatively affect the firm's behaviour. For example, Du (2015, p. 344) discussed how traditional family culture, characterised by informal personal networks, political influence, and concentration of power, can abuse resources, including employees, and allocate resources to cover misconduct around the natural environment.

#### **2.5.1.2 A2: Familiness and family firms ethics, values and culture related to ES behaviour**

In Figure 5, A2 represents the association between familiness and the family firm's ethics, values, and culture. Lewis made two points regarding business ethics, that is, (1) a person's business ethics cannot be separated from his or her individual ethics (or all other ethics), and (2) business will never be any more ethical than the people who are in the business. This argument is more applicable to FBs, as the business and the founding owners or the family (family members) are intertwined. Thus, familial logics, and associated familiness, act as a set of principles, guidelines or frame of reference for family members whose ethical values then

become imprinted in the family firms' ethics, values and culture and, as such, they are distinctive to each family firm.

Abdelgawad and Zahra (2020) stated that “spirituality and religion could be seen as overarching logics that provide a set of principles guiding everyday practices and relations, including those with employees, customers, the community, suppliers, and other external constituents” (p. 638). To elaborate on the above aspect, family spirituality can act as a frame of reference or as cognitive frames (Abdelgawad & Zahra, 2020) for family member CEOs or nonfamily member managers (Sharma & Sharma, 2011) regarding their ES behaviour. Abdelgawad and Zahra (2020) see “religious identity as a frame that can influence strategic renewal, conflict resolution and resources allocation” (Abdelgawad & Zahra, 2020). Naturally, the ES engagement of family firms is also a part of strategic orientation (Astrachan et al., 2020) and is, therefore, similarly influenced by firms' ethics, values and culture.

Under family ownership, a family CEO can utilise her/his controlling power to make decisions and actions regarding ES that favour the family's SEW (Cui et al., 2018). Therefore, the family CEO becomes a part of the firm's crucial human capital and gains influence (Habbershon, 2006). The family CEO's desire to preserve the family's image and reputation and transgenerational intention to act as a frame of reference (principles, values, and culture) or primary reference point (Izzo & Ciaburri, 2018) in making decisions and actions (allocation of resources for sustainability course, or disclosure of information) regarding ES is crucial.

### **2.5.1.3 A3: Heterogeneities among firm's ES engagement**

In Figure 5, A3 represents the type and level of ES of the family firm. In the above section, we discussed how ES of family firms becomes an outcome of the firms' ethics, values, and culture. We also discussed that family logics vary across families creating heterogeneities. Therefore, some family firms engaged in a higher level of ES, while some had only moderate engagement (De Steur et al., 2020). In the following section, we provide a few examples to elaborate on our argument.

As discussed in the section above, different families have different percentages of family-owned controlling shares and management (number of family members actively involved in the management of the firm), or they have different priorities regarding SEW (family altruism vs family image) (Fehre & Weber, 2019; Marques et al., 2014). As a result, there could be

variations in translating family resources in enabling a unique set of ethics, values and culture within the family firms. Consequently, we found evidence from the extant research regarding how families translate their resources (for instance, spiritual capital or family cohesiveness) to facilitate and motivate a specific set of family firms' values, culture, and ethics. For example, Barbera et al. (2020b) explained how family cohesion manifests in a leadership style and emotional closeness, which influences individual values, leading to a common mission that increased the family's interactions and emotional closeness. Closeness and cohesion can be utilised in communication and fast decision-making regarding ES engagement. Binding social ties as a dimension of SEW become a key reference when family firms make decisions that affect wider stakeholders. As Arena and Michelon stated:

...family's socioemotional wealth becomes the key reference for family principals, they tend to care more about the potential for decline than they make gains. Hence, family business principals are loss-averse concerning the socioemotional wealth and make decisions that preserve socioemotional wealth, even at the expense of the firm's economic utility (Arena & Michelon, 2018, p. 1597).

Long-term orientation, as a family logic could be associated with social capital. Social capital implies investment in long-term association with the firm's stakeholders. As Breton-Miller and Miller (2016) stated, "Families who own businesses are often well-anchored in their communities and present for the long run, they value, nurture and exploit the social capital they have built with their customers, suppliers, employees, and the wider community" (p. 27 ). However, these authors also presented a dark side of family influence. They explained how family conflicts, socioemotional restrictions and preference for private benefits create irresponsible family behaviour towards ES. These actions weaken the familiness and create disadvantage, leading family members to act unethically.

Therefore, different family firms can behave differently towards ES. Why and how these differences occur is addressed in RQ 2.

#### **2.5.1.4 A4-1, 2, and3: Benefits of ES engagement of family firms**

In Figure 5, A4-1, A4-2 and A4-3 explain various resources, benefits, and advantages that could be received from ES by family firms.

A4-1 shows that ES engagement can produce a bundle of intangible resources, for example, reputational capital (Dou et al., 2017; Lumpkin & Brigham, 2011). However, these benefits are different across family firms, as their engagement with ES is different. Further, the unique

nature of ES engagement can enhance the unique positioning of the family's brand image and standing in the community (Arena & Michelon, 2018). Kuttner, Feldbauer-Durstmüller, and Mitter (2021) recognised that legitimacy derived through eco-certification is also one of the key benefits of involvement in ES activities. For example,

Environmental measures are often influenced by the necessity to fulfil the requirements of eco-certifications, as the interviewee from FF 16 explains: “We have several environmental and quality certifications. Furthermore, there are several annual goals, which must be achieved to get a re-certification” (p.244).

A4-2 shows how ES engagement can support the long-term survival and sustainability of the family firm (Cioca et al., 2020), strengthening and influencing the achievement of family-related nonfinancial goals, such as transgenerational intention. A4-3 shows a similar idea, where ES can produce intangible resources – moral capital for the family firm. Moral capital refers to the spiritual advantages that accrue when a founding owner or family members conduct business responsibly over an extended period of time, and this spiritual leadership may help the corporate entity's principles to flourish. As a result, we have connected moral capital to the ethical principles and culture of businesses. However, others may argue that moral capital may also be acquired by long-term commitment in environmental sustainability, and therefore as a benefit of ES engagement. Extant research also discussed how a firm with a higher level of ES and ethical behaviour could produce moral capital for the firm, which could become a distinctive advantage for the family firm. For example, Abdelhalim and Amani Gamal (2019) stated, “Accordingly, intelligent managers use philanthropy to solidify economic incentives, enhance the branding and generate moral capital that forms ties with all constituencies” (p. 783)

### **2.5.2 RQ2: Why and how heterogeneities exist in ES engagement among family firms?**

According to Dawson et al. (2020), the variance (heterogeneities) among FBs is even more significant than the variance between FBs and nonFBs. De La Cruz Déniz Déniz and Suárez (2005), studied 112 family firms and emphasised the practical and theoretical importance of understanding family variance rather than understanding the differences between family and nonfamily firms. The researchers who compared family and non-family firms provided mixed results regarding whether family firms are more socially and environmentally responsible or irresponsible than nonfamily firms. We, therefore, posit heterogeneity among family firms as

an alternative explanation for these mixed and inconsistent results. We found that heterogeneities exist at different levels in the business: family-level, founder-level, and family firm-level.

More importantly, the different levels (family, founder, and family firm) can act as a moderator or a mediator that determines the level of influence of other sources (levels) of heterogeneities. For example, Mumin Dayan et al. (2019) investigated the relationship between mindfulness SEW dimensions (family level) and family firms' environmental strategies and proposed a firm's capabilities (firm level) as a mediator. Similarly, Dal Maso et al. (2020) studied the relationship between family ownership and environmental performance (family level) and proposed that human resource practices of the firm (firm level) could act as a mediator. Arena and Michelon (2018) studied the relationship between family control and influence and family identity over the environmental disclosure practices in family firms and suggested that a firm's life cycle stage plays a moderating role in these practices.

Heterogeneity, therefore, involves complex interrelationships. Li, Li, and Zhang (2020), identified family control and the political connections that each family developed as two sources of heterogeneities, and political connections become a moderator of family influence over ES. An increasing trend can also be seen around familiness and family resource-based heterogeneities. Also, values, commitment, identification, religion, and spirituality have been discussed as critical sources of heterogeneity relating to ES engagement. However, most of the papers that focus on, for example, religion and spirituality (Astrachan et al., 2020; Mumin Dayan et al., 2019; Marques et al., 2014) have been published recently, implying an increasing interest in this area.

The findings presented earlier are related to the overarching question of how and why family firms are different. We answered the why question; first, there are differences among family firms at different levels (family, individual, and family firm). Secondly, family logics and resources that act or guide the behaviour of the dominant coalition who influence values, ethics, and culture of the family firms, are different across families. Therefore, the dominant coalition decisions about what, how far, or to what extent they should be involved with ES could be different across family firms.

How can we explain this further (the how question)? Family logics and family resources act as a frame of reference for family members controlling the firm's decisions and actions (dominant



coalition) regarding ES. However, this association is influenced by variations that could be seen at different levels: family, individual decision makers and the family firm. For example: the differences in family culture could influence the way the family prioritises their nonfinancial goals; the influence of founding owners over ES engagement may be influenced by their education, personal values and attachment to the natural environment; and the influence of the family's SEW over the family firm ES engagement will vary based on the firm's age and maturity. Therefore, the family level, individual level, and family firm level variations influence the association between family logics, familiness and firm's ethics, values, and culture, leading to heterogeneous outcomes regarding ES engagement.

Future researchers can include external moderators, such as legislation, and nonfamily member managers who can exert more influence on family firm's ethics and values, therefore moderating the influence of the dominant coalition over the ES engagement of family firms.

## **2.6 Contribution to theory**

Our first theoretical contribution is in integrating the literature at the intersection of ES and the family firm. To the best of our knowledge, this paper is the first structured literature review focused on understanding family firms' heterogeneities related to ES. Our second contribution lies in linking family logics and familiness as a family-specific theory perspective to explain antecedents behind heterogeneities in ES engagement. We used extant research to understand family-specific institutional factors that might determine firms' ES behaviour. We contribute to the business ethics literature by integrating family as an organisational structure and showing how family firms' ethics, values, and culture are unique due to family influence in business activities. Family-related resources, for example, family members' desire to preserve family reputation in the community, act as a frame of reference within which the family firm can determine its ethical behaviour, including its ES.

We found that a dyadic relationship exists between the ES of the firm and family resources. For instance, a higher level of ES engagement will generate moral capital, enhancing the morality of the member and non-member employees. Employees' higher morale will become a part of effective human resources (familiness) that will enable them to achieve family-related goals (family logics). Also, familiness, in the form of family cohesiveness and commitment to supporting each other, will generate family firm values of “security” and “harmony”. These

values will enable fast decision-making and easy allocation of resources for ES activities. Researchers have recognized that harmony is not necessarily good, considering productive conflicts. Citing from Bowman Jr, R. F. (2001),

“Lencioni (1998, 64) has contended that "harmony is like cancer to good decision making." A considerable body of research suggests that, where there is little conflict over issues, there is also likely to be poor decision making. Eisenhardt, Kahwajy, and Bourgeois (1998, 77) discovered that, "without conflict, groups lose their effectiveness" and colleagues "often become withdrawn and only superficially harmonious. " Counterintuitively, Eisenhardt et al. (1998, 77) also "found that the alternative to conflict is usually not agreement but apathy and disengagement."

Therefore especially in family firms, with transgenerational intention communication that leads to productive conflict is necessary to bring change and continuity to the organization. , In summary, family firms’ values, ethics, and culture align with family values and priorities towards family goals (family logics) and different stakeholders' objectives.

Finally, we contribute to the family firm literature on heterogeneity related to ES engagement. We contribute by identifying antecedents of heterogeneity at different levels (family, individual, and family firm level). While reviewing the literature, we uncovered some practical difficulties that future researchers will face, such as the need for a larger sample to test the existence of heterogeneity (quantitative research), the need to control variables such as industry differences, and to measure the impact of moderating variables.

## **2.7 Conclusion, future research areas and limitations**

We conducted a systematic literature review of 135 papers at the intersection of family, business and ES. First, our objective was to understand how extant researchers have portrayed the association between familial logics, familiness, and family firms' ES engagement. Secondly, we wanted to integrate extant research on family firms’ heterogeneity and use it as an alternative explanation for mixed and inconsistent results relating to the comparison of family and nonFBs with reference to ES engagement.

Our review provides clear evidence of the association between family involvement in the business and the firm’s ethics, values and culture. While there is considerable evidence to demonstrate the unique nature of the family firm compared to nonfamily firms, most

researchers have continued to treat family firms as homogeneous entities. Therefore, only a few articles focused on differentiating family firms from other family firms and developing clusters or groups. While there is a need for more empirical research focused on firms' heterogeneities, these future researchers can establish the conceptual relationships (A1, A2, A3, and A4) that we developed regarding ES engagement of family firms.

The extant research on family firms often highlighted the founder's imprint in family firms' decisions and actions. We found only a few research papers that focused on understanding how the founding owners' values, characteristics, or behaviour became imprinted in family firms' social and ES engagement. The next generation's involvement has a significant impact on continuing the family's current business practices (Salvato and Melin 2008; Cater and Justis 2010; Huang et al. 2016; Vallejo and Langa 2010; Chrisman et al. 2012). However, the systematic review did not capture the next generation's impact on ES engagement of family firms. Therefore, the involvement of the next generation as a differentiating factor has been largely ignored.

Family involvement in FBs and the impact of the founding family on ES was an intensely-mined research area, with SEW being the most used theoretical perspective. SEW is a multidimensional concept (Berrone, Cruz, & Gomez-Mejia, 2012b). As we explained in the Results section, most of the studies were focussed around SEW and the first two dimensions (family ownership and family involvement, family name and identity attached with the family firm)- there were few articles regarding binding social ties and their influence over ES. To date, there is little research into family members' emotional attachment to the family and the impact of that attachment on the firm's ES engagement. For example, the emotional dimension of SEW can be addressed by exploring research questions such as: How is family history related to the current ES engagement of family firms? How does family attachment and connection with the local natural environment influence family firms' ES strategy? More importantly: How do family members' emotions, for example, fear of an economic downturn or fear of negative publicity, impact family owners' decisions towards ES?

We also found research focused on heterogeneity, however, heterogeneities have been mentioned mainly as a different outcome of research focused on other family business aspects. Furthermore, research that has focused on heterogeneity has centred mostly around understanding antecedents. There is, therefore, a need to develop taxonomies or typologies of

family firms based on variations (antecedents) and heterogeneities that can be seen among ES engagement (different ES engagement levels, for example, higher levels as biodynamic or organic practices, sustainable certifications, adherence to minimum requirements, engagement in minimal environmental activities). Future researchers need to further advance this area by linking decision-making aspects such as strategic orientations concerning ES. Therefore, the extant research is still not strong enough to show how different groups or clusters of family firms can develop ES strategies to cater to their needs (social, emotional, and economic).

It is possible that the scope of this study was limited in terms of the selection criteria. For example, the selected articles were limited to peer-reviewed journal papers in the English language. Therefore, there is a possibility that this literature search did not yield all relevant studies and the study may have publication bias. This limitation has been somewhat overcome with additional articles collected at the end using snowballing techniques. Other researchers who used structured literature review have discussed limitations similar to this study (Guilamo-Ramos et al., 2012).

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# **Chapter Three/ Manuscript 2: Family Logics and Environmental Sustainability: A Study of the New Zealand Wine Industry**

## **Prelude**

The majority of small- and medium-sized enterprises (SMEs) in the wine industry are family-owned and operated providing a unique organisational structure to study environmental sustainability engagement. However, researchers at the intersection of environmental sustainability (ES) and family businesses tend to oversimplify family businesses as homogeneous regarding ES. Therefore, the broader goal of this paper is to investigate the antecedents of heterogeneities among family firms related to ES. The paper aims to understand how family firms portray different aspects of family influence (family goals, family values, culture and ethics, and the imprints of the founders and the next generation) in their ES disclosures. Family logics is used as a theoretical lens to analyse family influence. A qualitative content analysis of 72 corporate websites of family firms operating in the New Zealand wine industry was conducted. Antecedents of heterogeneities were revealed with a discussion of three typologies of family firms: Family First, Business First, and Upstarts.

The manuscript has been submitted to the A-ranked (ABDC) journal, *Business Strategy and the Environment*. It was accepted and now published online (<http://doi.org/10.1002/bse.2823>). The format of this paper is in accordance with the thesis requirements, however, spelling in this manuscript is mostly similar to the published paper. Therefore, this chapter is slightly different from the submitted version. There are no appendices for this manuscript. Table and figure captions are labelled separately for manuscript 2. The reference section includes only those companies' names from which the written content was extracted to include as sample texts in this paper.

## **3.1 Introduction**

The wine industry is a highly representative economic activity (Bresciani, Giacosa, Broccardo, & Culasso, 2016). It offers a rich and multifaceted opportunity to study a range of business management issues (Orth, Lockshin, & d'Hauteville, 2007), including environmental

sustainability (ES) (De Steur, Temmerman, Gellynck, & Canavari, 2020; Fanasch, 2019; Knight, Megicks, Agarwal, & Leenders, 2019). The global wine industry comprises many small and medium-sized enterprises (SMEs) (Gilinsky, Newton, & Vega, 2016). The majority of SMEs in the wine industry are family-owned and operated companies (Bresciani et al., 2016; Fernández Olmos & Malorgio, 2020). O'Hara (2004), studied centuries-old family firms and found some of the oldest family firms are operating in the wine industry. The extant research highlights that the family name, family estate, and family identity in the local community are integrated into the wine, marketing, and business strategy (Bresciani et al., 2016; Browne, Balan, Lindsay, & Lindsay, 2016; De Steur et al., 2020; Duarte Alonso & Bressan, 2013; Dufour & Steane, 2010). Collectively, the extant research highlighted the critical role family plays in the wine industry.

While SMEs may have small social, environmental and financial impacts individually, cumulatively, their impact is significant (Lawrence, Collins, Pavlovich, & Arunachalam, 2006; Revell & Blackburn, 2007; Westman et al., 2019). Studies show that SMEs are less likely to engage in ES than large corporations. This is mainly because ES engagement requires diverting already limited family resources away from primary business activities (Ko & Liu, 2017; Revell & Blackburn, 2007). Given the limited resources, the extant research has identified that the ES of SMEs, especially family firms, is driven mostly by the values of the founding owners and the family (Lawrence et al., 2006; Michael, Echols, & Bukowski, 2010). Thus, ownership structure and personal values are recognised as critical dimensions that explain differences among firms in their engagement with ES (Dal Maso, Basco, Bassetti, & Lattanzi, 2020; Williams & Schaefer, 2013). However, as a unique context to study the ES engagement of business organisations, there remain several aspects of family influence about which relatively little is known.

More importantly, the influence of family involvement in SMEs offers a unique context (Fernández Olmos & Malorgio, 2020) to analyse how the interaction between family and the family business subsystems facilitates ES engagement (De Steur et al., 2020; Woodfield, 2014). Family business and ES researchers have often compared family businesses to nonfamily firms (Dangelico, Nastasi, & Pisa, 2019). These researchers have analysed family businesses regarding many different aspects of ES. For example, innovations, human resources, drivers of proactive environmental engagement (Dal Maso et al., 2020; Dayan, Ng, & Ndubisi, 2019; Doluca, Wagner, & Block, 2018). A few researchers have focused on the

wine industry (De Steur et al., 2020; Ouvrard, Jasimuddin, & Spiga, 2020; Sharma & Sharma, 2011).

These findings may help to understand how family firms differ from their nonfamily counterparts. However, the research tends to oversimplify family businesses as homogeneous regarding ES (Jaskiewicz & Dyer, 2017). Most scholars rely on dichotomous variables and treat family businesses as homogeneous (Zellweger, Kellermanns, Chrisman, & Chua, 2012). Yet, as family businesses operate in an organisational field where the family and the business system interact, each firm within the same industry creates variations regarding ES (Marques, Presas, & Simon, 2014). The existing literature and the management theories applied by the extant researchers have not adequately captured these variations or heterogeneities among family firms regarding ES (Jaskiewicz & Dyer, 2017).

Therefore, the broader research question of the paper is: What are the antecedents of heterogeneities among family firms related to ES? The paper aims to understand how family firms portray different aspects of family influence (family goals, family values, culture and ethics, and the imprints of the founders and the next generation) in their ES disclosures. With this aim, the paper focuses on achieving four objectives: 1) understand the influence of family over the ES engagement of family firms; 2) identify which family logic has the most explanatory power for family firms to engage in ES; 3) identify family variables that could lead to heterogeneities among family firms in their engagement with ES and; 4) develop typologies of family businesses based on the identified heterogeneities.

To answer the above research question, we use a family-based theoretical lens: family logics (Jaskiewicz, Heinrichs, Rau, & Reay, 2016; Reay, Jaskiewicz, & Hinings, 2015). Family logics are the entrepreneurial orientation of family owners that reflect nurturing (financial security), generativity (guiding and next generation mentoring) and loyalty to the family (protecting the family name) so that family members bestow legitimacy on those serving the family needs (Miller, Breton-Miller, & Lester, 2011). These researchers show that family logic can influence many aspects of the family firms, including their ES engagement. Most extant research has used general management theories; family logic as a theoretical lens has rarely been used. The extant research at the intersection of family businesses and ES showed the importance of family influence (Dal Maso et al., 2020; Dangelico et al., 2019a; Dayan et al., 2019). However, the research has not explicitly focused on understanding what type of family

variables (logic) dominates the ES decisions, given that these family firms operate in the same industry, and most external variables, such as institutional pressures, are similar. Further, the extant research has not explained how these logics vary across family firms leading to heterogeneities in their engagement with ES.

A qualitative content analysis (QulCA) of 72 corporate websites of family firms operating in the New Zealand wine industry was conducted. Antecedents of heterogeneities were revealed with a discussion of three typologies of family firms: Family First, Business First, and Upstarts.

This paper is also important to ES research considering the significant impact of the wine industry on the natural environment. The expansion of the wine industry beyond the traditional European and Middle Eastern winegrowing regions to New World countries, such as New Zealand and Australia, has led to significant environmental challenges for those countries (Galbreath, 2014; Pavlovich & Akoorie, 2010), including the use of scarce water, pesticide and fertiliser runoff, hazardous packaging materials, biodiversity impacts, and a large carbon footprint (Knight et al., 2019; Marshall, Akoorie, Hamann, & Sinha, 2010; Whitehead, 2017). These issues connect directly to wine and the survival of the wine industry (Gilinsky et al., 2016; Whitehead, 2017). Therefore, it is essential to understand how business organisations operating in the wine industry respond to these environmental issues.

The first theoretical contribution of the paper is the use of family logics as a family firm-specific theoretical lens to understand heterogeneities among family firms regarding ES. The second contribution is the design of typologies of family businesses (Stanley, Hernández-Linares, López-Fernández, & Kellermanns, 2019). Typologies can be used to understand the behavioural differences and strategic choices regarding ES engagement of family firms (Marques, Presas, & Simon, 2014). Thirdly, the paper contributes to the ES literature by observing family firms as a unique organisational structure.

The first section of the article discusses extant research on family logics. Next, we explain the research context and then the findings will be discussed. The final section presents the contributions of the paper and its potential implications for future research.

## **3.2 Theoretical background**

### **3.2.1 Environmental sustainability**

ES is defined as “the maintenance of natural capital” (Goodland, 1995, p. 10). Goodland suggests that the primary reason for ES is to preserve and enhance the natural environment for future generations, but the concept itself includes human welfare: protecting the sources of raw materials used for human needs and ensuring the sink for human wastes are not exceeded (Goodland, 1995, p. 3). Building on the definition presented by Goodland, Morelli (2011) defined ES as a “condition of balance, resilience, and interconnectedness that allows human society to satisfy its needs while neither exceeding the capacity of its supporting ecosystems to continue to regenerate the services necessary to meet those needs nor by our actions diminishing biological diversity” (p.5). This definition has been broadened to include human welfare, thus giving more importance to the balance of the ecosystem. Therefore, the paper adopts this definition.

The wine industry is closely related to the natural environment and has a significant environmental impact. Therefore, business organisations operating in this industry require ES engagement to gain legitimacy from many stakeholders (De Steur et al., 2020; Galbreath, 2014; Marshall, Cordano, & Silverman, 2005). Extant research has recognised that the ES of business organisations is a common concern worldwide (Wang & Mao, 2020) and has become an integral part of corporate responsibility (Ren, He, Zhang, & Chen, 2019). As part of this discussion, previous research has explained the significant negative impact of the wine industry on ES, the community and the resources available for future generations (Silverman, Marshall, & Cordano, 2005). Both Old World (Europe) and New World (Australia, New Zealand, South Africa, and the United States) countries have faced growing issues regarding the natural environment (Gilinsky et al., 2016). The most significant environmental impacts from the wine industry include energy and water consumption, wastewater, chemicals, and packaging material (Dodds, Graci, Ko, & Walker, 2013). There is a lack of empirical research investigating first, family and business interaction in the wine industry and second, the unique impact of the family in creating variations among ES behaviour in family firms.

The majority of the New Zealand wine industry consists of family-owned and operated small and boutique firms. Several studies have been published on the New Zealand wine industry

and ES. For example, Hughey, Tait, and O'Connell (2005), conducted a comparative evaluation of three environmental management systems adopted by most wineries in New Zealand: Sustainable Winegrowing New Zealand, ISO 14001, and Bio-Gro. These authors conclude that more industry-specific environmental management systems (for example, Sustainable Winegrowing New Zealand - SWNZ certification) increase sustainable advancement. Gabzdylova, Raffensperger, and Castka (2009), have studied the sustainability of the New Zealand wine industry, including the drivers (individual drivers and institutional drivers), the role of the stakeholders, and environmental practices. These authors found that personal values, preferences and satisfaction of owners and managers are the most significant drivers of sustainability practices. Similarly, Dodds et al. (2013), examined ES drivers in the New Zealand wine industry and identified requirements for exporting and protecting agricultural land for the future were strong ES drivers.

Although, as discussed above, there is extant research that discusses ES engagement in the wine industry and family business, most of the research focuses on understanding environmental drivers and comparing family and non-family firms. Therefore, there is still a knowledge gap in understanding why there are variations among family firms in their engagement with ES, given that these family firms operate in an industry with similar institutional conditions regarding ES.

### **3.2.2 Family business**

Family businesses around the globe have a significant economic and environmental impact. Family businesses is the most prolific form of ownership structure and its growth in the world economy is substantial (Miroshnychenko, De Massis, Miller, & Barontini, 2020). Family businesses employ more than 75% of the global working population; 37% of Fortune 500 companies are family-controlled (Green, 2007). Consequently, the cumulative impact of family businesses on the natural environment should not be ignored (Sharma & Sharma, 2011). Chua, Chrisman, and Sharma (1999), explained “a family business is a business governed and or managed to shape and pursue the vision of the company held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families” (p., 23). The dominant coalition was defined as the powerful actors in the organisation that controls the overall

organisational agenda (Cyert, 1992). Most often, founding owners act as the dominant coalition in family firms.

Several studies have investigated family involvement in the wine industry in the New Zealand context. The studies covered a range of management aspects, including resources capabilities and continuity; firm-level cooperation to achieve marketing opportunities (Woodfield & Nel, 2015); the sustainability of wine businesses across generations and (Woodfield, Woods, & Shepherd, 2017); and knowledge sharing (Woodfield & Husted, 2017). These findings may help us understand the important role of family in the family business and the role family business plays in the New Zealand wine industry. However, more empirical evidence is required to understand family influence over ES engagement in family firms and the antecedents of heterogeneities.

Family business and ES has been examined in the wine industry globally. The extant literature has focused on family ownership and environmental performance (Block & Wagner, 2014; Dal Maso et al., 2020; Nadeem, Gyapong, & Ahmed, 2020); environmental reporting and corporate life cycle (Arena & Michelon, 2018); emotional aspects such as mindfulness and socioemotional wealth and environmental strategy (Dayan et al., 2019); and research and development and environmental innovations (Ardito, Messeni Petruzzelli, Pascucci, & Peruffo, 2019; Doluca, Wagner, & Block, 2018). Most of the above literature compares family and nonfamily firms (Adomako, Amankwah-Amoah, Danso, Konadu, & Owusu-Agyei, 2019; Arena & Michelon, 2018; Dangelico et al., 2019) treating family firms as homogeneous entities.

Understanding family firms' heterogeneities as an explanation for ES variations is vital to identifying how the family impacts ES in family firms (Berrone (Berrone, Cruz, & Gomez-Mejia, 2012; Breton-Miller & Miller, 2016; Steier, Chua, & Chrisman, 2009). The extant research of family businesses and ES centres around limited constructs: family involvement in ownership and control and socioemotional wealth of the founding owners (Arena & Michelon, 2018; Dayan et al., 2019). These studies have drawn on theories from general management literature (institutional theory, resource-based theory, stakeholder theory) without focusing on the "family system" itself; therefore, producing contradictory conclusions.

Earlier research focused on understanding differences between the family and non-family firm approaches to ES had contradictory findings. For example, Berrone, Cruz, Gomez-Mejia, and



Larraza-Kintana (2010), found that family-controlled public firms protect their socioemotional wealth by having a better environmental performance than their non-family counterparts” (p. 82). Dekker and Hasso (2016), on the other hand, stated that family firms have a lower environmental performance focus than non-family firms; However, in cases where the firm is highly embedded in the social community, family firms have a higher environmental performance focus” (p. 294). Arena and Michelon (2018), in their comparison of environmental disclosure of family and non-family firms, found that family firms for which family control and influence over socioemotional wealth dimension is most salient, provide less environmental information than non-family firms (p 1597). In contrast, Campopiano and De Massis (2015), point out that in comparison to non-family firms, family firms disseminate a greater variety of CSR reports, are less compliant with CSR standards and place emphasis on different CSR topics” (p. 512).

The above examples imply that the contradictory results between the extant research findings are mainly due to the unique factors of each family firm, for example, family embeddedness in the locality, founder desire to preserve family name and identity, and intention to transfer the business to the next generation. However, these variables that differentiate one family firm from another have not been adequately explored. In summary, there is a need for research that further evaluates the ES of family firms from the unique perspectives of the family and the business interaction.

### **3.2.3 Family logics**

Family logics is a theoretical lens derived from institutional logics and explains how various family-related concerns influence the entrepreneurial orientation of the founding owners. For example, D. Miller, Le Breton-Miller, and Lester (2011), explained how founding owners obtained the legitimacy to run the family business by protecting the financial and social well-being of the family. Family members promote and sustain family bonds (Schulze, Lubatkin, Dino, & Buchholtz, 2001). Hence, family logics influence their entrepreneurial orientation. The close interaction between family members and the family firm creates culture, language, and identity, making a family firm unique (Schulze et al., 2001) from nonfamily firms.

For a family firm, family logics can dominate over other external influence. For example, previous research has claimed that familial logics could dominate other institutional logics (Hills, Voronov, & Hinings, 2013). Overall, the extant research emphasizes that family logics

can influence strategic priorities (Miller, Le Breton-Miller, & Lester, 2011; Monti & Salvemini, 2014) and the performance (Dyer Jr, 2006; Peng & Jiang, 2010) of family firms.

Socioemotional wealth is one of the family logics that influences the dominant family coalition to make choices in areas such as ES (Berrone et al., 2010). Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes (2007, p. 106), defined socioemotional wealth as, “nonfinancial aspects of the firm that meet the family’s affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty.” One critical task of family businesses is to preserve the socioemotional wealth of the founders. Thus, its preservation impacts family members and managers (Gomez-Mejia, Cruz, Berrone, & De Castro, 2011).

Long-term orientation is another family logic that enables the dominant family coalition to make choices that favour long-term, financial and nonfinancial goals (Lumpkin & Brigham, 2011), for example, preserving the natural environment for both future generations and future business sustainability (Berrone et al., 2010; Berrone, Gomez-Mejia, & Xu, 2013; Goodland, 1995). Bearden, Money, and Nevins (2006), define a long-term focus as, “the cultural value of viewing time holistically, valuing both the past and the future rather than deeming actions important only for their effects in the here and now or the short term” (p. 457).

The transgenerational intention is closely linked to long-term orientation and refers to the founding owners’ desire to transfer a healthy business to their children; hence it acts as another family logic (Aragón-Amonarriz, Arredondo, & Iturrioz-Landart, 2017). Transgenerational intention influences firms to consider running a responsible family business and sustaining resources for future generations (Aragón-Amonarriz et al., 2017). (Delmas, Gergaud, & Lim, 2016), found that the adoption of sustainable certification is associated with an owner’s intention to pass the business down to their children (p. 228). Sharma and Sharma (2011), discovered that founders and founding families who intend to sustain a multigenerational business tend to have a more proactive attitude towards the environment.

Founders of family firms play a critical role in the ES engagement decisions of family firms. Their imprint often remains even after their retirement. This view is supported by Schwass (2005), who asserts that multigenerational family business is unique due mainly to its governing structure, which is characterised first by the family’s story and history and secondly, by a founder’s vision embedded in the locality and family context. Referring to the strong

influence of the founder's orientation towards the business's long-term performance,(Hollander & Elman, 1988, p. 188) consider family business as the “lengthening shadow of one man”.

In summary, ES is a significant concern of business organisations, including family businesses. Family businesses, as an organisational structure, occupies the most significant percentage of the wine industry, both in New Zealand and globally. The wine industry provides a unique context to study ES behaviour under similar institutional contexts, given the industry's embeddedness in the natural environment. Family logics has potential explanatory power as a theoretical lens. Family logics describes the orientation of the founding owners that influence many aspects of the family. The extant research has identified socioemotional wealth of the family, long-term orientation, trans-generational intention, and nonfinancial goals as some of those logics, but family logics are not limited to these variables. No empirical studies have explored the antecedents and consequences of heterogeneities among family firms in their engagement with ES.

The following section details the New Zealand wine industry context for this study.

### **3.3 Research context**

The context for this research is family businesses operating in New Zealand's wine industry. New Zealand is a country of small businesses. The majority of the wine industry consists of the micro (fewer than five staff), small (6-49 staff) and medium enterprises (50-99) (Dodds et al., 2013). Boutique farmers and family businesses also characterise the New Zealand wine industry. An overview of ES and the wine industry is presented, followed by a family business profile in the New Zealand wine industry.

This study examines family businesses registered in the New Zealand Wine Directory. The directory is handled, monitored and updated by New Zealand Winegrowers (NZG), the national organisation for the grape and wine sector, with over 600 grower members and 700 winery members ([www.nzwine.com](http://www.nzwine.com)). Sustainable Winegrowing New Zealand (SWNZ), is an industry-wide certification programme led by New Zealand Wine. SWNZ is widely recognised as a world-leading sustainability programme and, in 1997, was one of the first established in the international wine industry ([www.nzwine.com](http://www.nzwine.com)).

By 2020, 98% of New Zealand's vineyard producing areas were SWNZ certified, with 7% operating under recognised certified organic programmes ([www.nzwine.com](http://www.nzwine.com)). The programme

covers six sustainability focus areas: water; waste; pest and disease; soil; climate change; and people. These goals align with the United Nations Sustainable Development Goals developed in 2015.

An additional environmental consideration, the New Zealand government passed the Climate Change Response (Zero Carbon) Amendment Act in 2019, to provide a framework through which New Zealand can develop and implement clear and stable climate change policies ([www.mfe.govt.nz](http://www.mfe.govt.nz)). “New Zealand Winegrowers have made a commitment to the industry becoming net carbon-zero ahead of the Government’s 2050 deadline” ([www.ruralnewsgroup.co.nz](http://www.ruralnewsgroup.co.nz)). The above discussion shows that the New Zealand wine industry is highly institutionalised for ES.

Organic Winegrowers New Zealand (OWNZ) is another certification programme supported by NZG. OWNZ is a grower-led organisation dedicated to supporting and encouraging high-quality, organic and biodynamically grown wines ([www.nzwine.com](http://www.nzwine.com)). BioGro, AsureQuality, Demeter, and Organic Farm New Zealand are New Zealand’s organic certifiers.

The wine industry in New Zealand is uniquely suited as our field of study for the following reasons. First, most of the industry is owned and operated by small to medium-sized family businesses (Bresciani et al., 2016; Brundin & Wigren-Kristoferson, 2013). Secondly, these firms enjoy a similar institutional environment, allowing a closer focus on how family involvement in the business differentiates their ES engagement with, for example, the founder’s name, family history and the intergenerational land where the family business operates, all contributing to the wine brand (Strickland, Smith-Maguire, & Frost, 2013). The grape growing, winemaking, brewing and many other aspects of wine-producing processes are built around the family’s culture and traditions. Thirdly, ES is critical for the wine industry because it is highly vulnerable to climate change ([www.nzwine.com](http://www.nzwine.com)), with changes in wind, rain and humidity affecting the quality of the grapes and harvest. Thus, our study sample is positively predisposed to ES engagement. Finally, the global wine market has become increasingly competitive (Garcia, Marchetta, Camargo, Morel, & Forradellas, 2012). Sudden fluctuations in customer demand (Golicic, Flint, & Signori, 2017) and using green labelling, ES and organic wines as a competitive tool (Orth et al., 2007) are all growing features within the industry. Consequently, making strategic decisions is increasingly challenging (Golicic et

al., 2017). In summary, all the reasons discussed above, and the highly institutionalised nature of the New Zealand wine industry, makes it a unique context suitable for this study.

In the following section, we discuss the method applied to select the sample and collect information and the procedures used for data analysis.

### **3.4 Method**

The aim of this paper is to understand how family influence impacts the ES disclosures of family businesses. To achieve the aim, the paper investigates: 1) the influence of family over the ES engagement of family firms; 2) identifies which family logic has the most explanatory power for family firms to engage in ES; 3) identifies family variables lead to heterogeneities among family firms in their engagement with ES and; 4) develops typologies of family businesses based on the identified heterogeneities. To achieve these objectives, we selected qualitative content analysis as the research method to analyse the environmental information disclosed on the corporate websites of family firms operating in the New Zealand wine industry.

We conducted a qualitative content analysis (QulCA). Although quantitative content analysis has been widely applied in many disciplines, including medicine, psychology and management, QulCA is a more recent development (Zhang & Wildemuth, 2009). Hsieh and Shannon (2005), defined QulCA as, “a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns” (p. 1278). QulCA’s goal is, “to identify important themes or categories within a body of content and to provide a detailed description of the social reality created by those themes/categories as they are lived out in a particular setting” (Zhang & Wildemuth, 2009).

#### **3.4.1 Data source**

As of 2020, the New Zealand Wine Directory has 504 member companies. Our qualitative content analysis included only those businesses: 1) which declared themselves as family-owned and operated; 2) included a section about family background and involvement in the business and; 3) with a clearly stated set of actions related to ES. We gathered our data from each company’s official website, as company websites have become an increasingly important means to communicate information and reputation to the public (Blazquez, Domenech, Gil, &

Pont, 2019; Da Silva & Teixeira, 2008; Micelotta & Raynard, 2011). Data saturation was used to decide when to stop using more units for analysis (Ness, 2015). After coding and analysing the company websites of 72 family firms that met our selection criteria, we reached theoretical saturation.

### **3.4.2 Overview of the sample**

Table 1 provides an overview of the sample. All the companies shown were founded between 1906 and 2017. Fewer than 10% of family businesses survive past the third generation (Micelotta & Raynard, 2011). Sixteen of our sample companies are third and fourth generation enterprises. The majority are from first- and second-generation family businesses. 64% are SWNZ accredited, while 32% are either fully or partially BioGro New Zealand or NZG organic certified. Approximately 2% have both sustainable and organic certifications. Only one company included the sustainable initiative CarbonClick on its website. CarbonClick is an independent organisation providing individual businesses with bespoke carbon offsetting programmes ([carbonclick.com](http://carbonclick.com)). Nearly 60% of organic wineries considered themselves small, boutique family firms. They began their business as an organic business, while the remaining organic wineries converted to organic sometime after their initial establishment.

Table 1. Sample characteristics of family firms operating in the New Zealand wine industry

					<b>Total number of family firms in the sample</b>
<b>Year of starting the business</b>	<b>1896-1945</b>	<b>1946-1978</b>	<b>1979-1999</b>	<b>2000-2020</b>	
Number of family firms	4	3	29	36	<b>72</b>
<b>Generations of family members involved</b>					
First-generation (founders and owners) are the only family members actively involved in the business	0	0	11	27	<b>38</b>
Second-generation ownership, governance, management/or two generations working together in the business	0	2	12	9	<b>23</b>
Third-generation ownership, governance, management/or three generations working together in the business	2	0	4	0	<b>6</b>
Fourth-generation ownership, governance, management	1	1	2	0	<b>4</b>
Fifth generation and beyond	1	0	0	0	<b>1</b>
<b>Environmental Sustainability</b>					
Sustainable Winegrowing New Zealand (SWNZ) certified	1	2	20	20	<b>43</b>
Organic certified (BioGro New Zealand/Winegrowers New Zealand)/Biodynamic	1	1	6	17	<b>25</b>
SWNZ and organic certified	1	0	2	0	<b>3</b>
SWNZ and CarbonClick certified	1	0	0	0	<b>1</b>

*Source: Company websites (first accessed January 2019)*

### 3.4.3 Data analysis

Following Pratt, Rockmann, and Kaufmann's (2006) iterative method, we applied a three-step content analysis. Step one involved creating provisional categories and first-order codes. Here, we identified statements and parts of documents on the company websites that disclosed family involvement in the business and ES. Those parts were uploaded into NVivo. The prevailing ideas formed provisional categories and first-order codes, with NVivo providing a record of the provisional categories generated from each company's website (Miles & Huberman, 1994). After labelling the codes and constructing categories, we reviewed the data again to see which, if any, fitted each category (Fairclough & Micelotta, 2013; Pratt, Rockmann, & Kaufmann, 2006). In the second step, we integrated first-order codes, created theoretical categories and summarised the data collected from all 72 firms into different sets of themes (e.g., family

ownership and control, family goals, long-term orientation). According to Pratt et al. (2006), this stage of the analysis allows researchers to understand variations amongst the sample's units. As categories were consolidated, they became more theoretical and more abstract, i.e., moved from more open to axial coding. Step three involved delimiting the theory by aggregating theoretical dimensions. Once generated, the categories' underlying dimensions were explored to understand how different categories fitted into a coherent picture. Using brainstorming and extant literature connected to the base theory of family logics, we related categories to broader theoretical dimensions (see Figure 1). Our analysis provided evidence and theoretical categories related to the key aggregated theoretical dimensions (e.g. socioemotional wealth) discussed in the literature review.



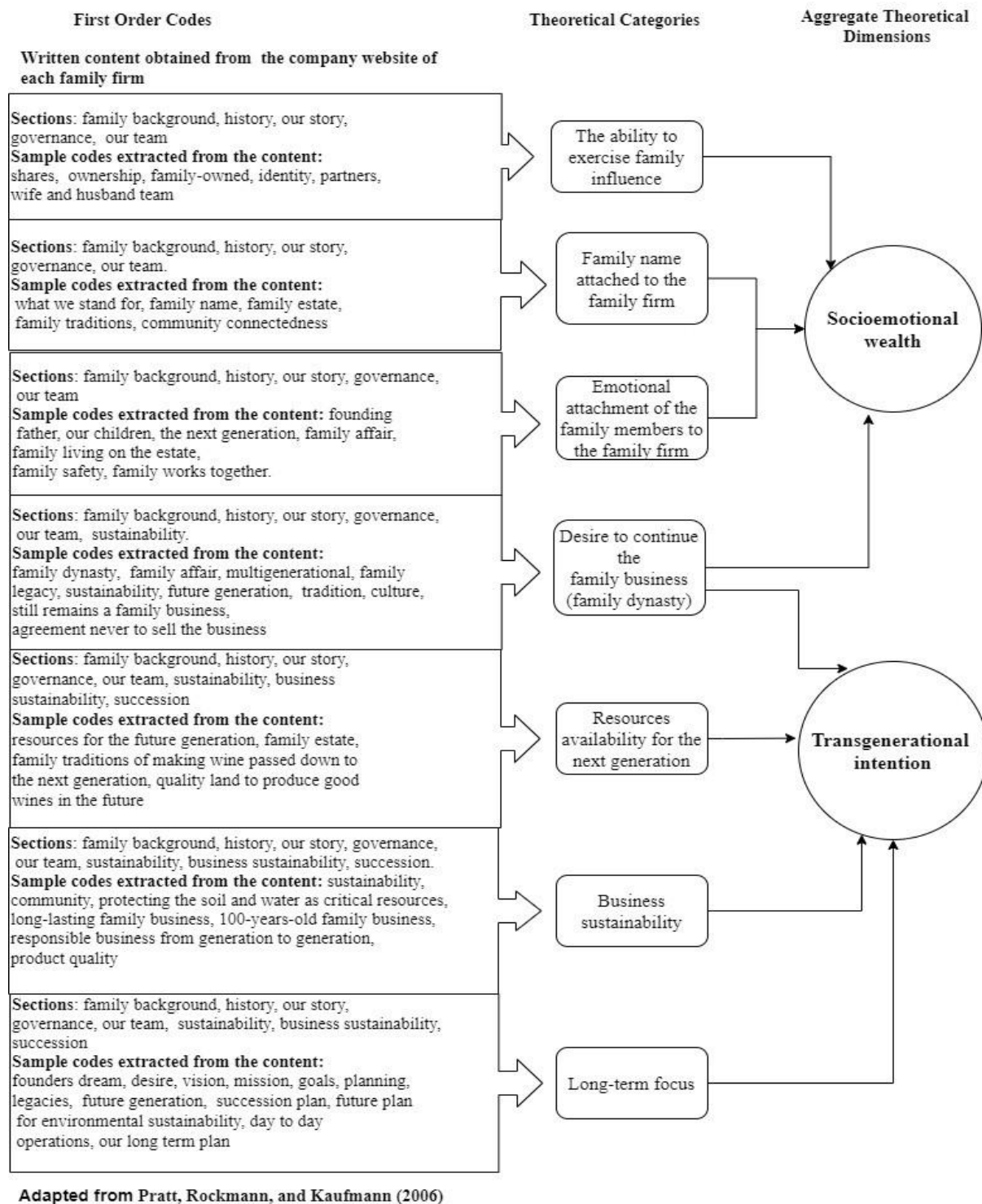


Figure 1. Sample of data analysis

### 3.5 Findings

This section shows findings related to the four research objectives.

### 3.5.1 Research objective 1: The influence of family over the ES engagement in family firms

All the 72 companies in the sample study were family-owned and operated small and medium wineries. Most family businesses described the involvement of the family in the business in terms of: 1) ownership and management; 2) local embeddedness of the family (family attachment to the wine estate and the location), and 3) number of generations involved in the family business. Table 2 below includes sample content extracted from the corporate websites indicating family involvement in family businesses.

Table 2. Statements about the family involvement in the business-Sample of statements

Family Attributes	Company (code name)	Statements
Ownership and Control	Akarangi	"Us' is the Osb family. We have owned and operated Akarangi in Havelock North since 1981,"
	Riwaka River Estate	"Patricia, Amber, Paul, Mackenzie and Ashley Rose welcome you to Riwaka River Estate, our home and boutique family owned and operated vineyard"
Local embeddedness	Akarangi	"...the Kiddle side of the family has been in the Tukituki valley since the 1950s;
	Ake Ake Vineyard	"The Skeggs family has a long association with Central Otago, as it has been their holiday destination since the early seventies."
	Bellbird Spring	"In 2002 our family returned to New Zealand after many years overseas. We decided to make our home in the beautiful Waipara Valley in North Canterbury. It is a farming area peppered with vineyards and olive groves. A perfect place to grow vines".
Generational involvement in the business	Akarangi	"...there are four generations of us wandering around these parts now."
	Craggy Range	"David owns the working farm neighbouring the Giants winery in the Tuki Tuki Valley that will also be passed down to future generations of his family."
	Felton Road	"The first of the second generation of Greenings has now joined the fold!"

Family leadership	Ake Ake Vineyard	a “strong family leadership” “A strong link and connection to the founding family”.
Family resources (e.g., Land)	Black Estate	“There is Nicholas, he is the winemaker and married to Penelope, who looks after the business & restaurant. With Pen's parents Rod and Stacey, the family owns Black Estate. Together they grow wine, talk too much about the weather, and fight the good fight.
Human capital and labour	Collaboration	“Husband and wife teams whose wineries epitomised everything I had grown to love about winemaking. A family environment, physical, dirty, hard labour, long crazy hours, great food, many laughs, loud eclectic music and of course fine wine.”
Family values	Coopers Creek Vineyard	“Today, almost forty years on, Coopers Creek is still a family-owned, New Zealand winery that remains in close touch with its origins and original aims”.
	Destiny Bay	Our long-term commitment is to make wines that express this place and inspire our patrons, no matter the costs. Some things are just more important than money.”
	Craggy Range	“The people of Craggy Range believe in the philosophy of generational guardianship and respect for the land backed by a long-term family commitment.

\*a list of the web address of those companies quoted in this table is available in the references

There was significant evidence for positive family influence over ES engagement of family firms.

First, the findings show families providing resources (tangible and intangible) for ES engagement of family firms. For example, around 47% of the sampled family firms have written content explaining how they invested family resources in developing environmentally friendly policies within family businesses. Some of the resources included: (human capital-knowledge and experience of the founder, education, industry exposure and specialized knowledge of the next generation, the commitment of family members to be environmentally friendly actions). The following quotes exemplify the findings.

Our philosophy is to tread lightly wherever possible, recycling and to minimise our impact on the environment." Alpha Domus Ltd endeavours to go beyond sustainable winegrowing and has been researching and implementing aspects of organic production, specifically looking at undervine management, soil and vine health practices (Alpha Domus Ltd).

Carrick is an integrated organic vineyard, winery, restaurant and cellar door in Bannockburn Central Otago. Steven Green, the owner-manager of Carrick, the viticulturist, the winemaker and the chef bring understanding and experience to making fine wine and food. This pride is reflected in the care of the vineyard and environment

– Carrick has a flock of free -range hens, giant compost heaps and a community garden, all part of the Carrick philosophy (Carrick).

Second, a significant positive relationship between family values, traditions and culture and the ES engagement of family firms was inferred in the written content of corporate websites of family firms. Words such as “being ethical”, “ethical values”, “ethical responsibility” were used to reflect the overall values of founders and the firms. We also found family firms using innovation, new ideas, communication, and conversations to reflect their universal values. Moreover, “natural,” “nature,” “organic,” and “honouring” were terms associated with ES discussions in the corporate websites. See Table 3 for a list of environmental values identified through the written content of corporate websites.

Table 3. Environmental values disclosed in the sample websites

<b>Words related to values</b>	<b>Statements about values related to the natural environment</b>
Guardianship	“a strong ethical link to the guardianship of the land by every member of the team who works the land and manages it” (Felton Road)
Commitment	“The people of Craggy Range believe in the philosophy of generational guardianship and respect for the land backed by a long-term family commitment. (Craggy Range)
Genuine concern	“The people become kaitiaki (guardians) of the land”. (Dunbar Estates) “For genuine concern for our lands, plants, environment and the health of our team”.
Love	“Had a deep love of the land and the natural world around us”. “Every individual then possesses a turangawaewae (a place to stand) or more so a place where they feel connected, and that offers a sense of belonging and security”. (DurBar Estates) “A Love for the Land” (Destiny Bay)
Respect, Honouring	“It is an ethos that says the earth and the vine deserve respect, and is a recognition that the winemaker has only a temporary assignment, where the earth is concerned” (Carrick)
Care	“Run organically and Biodynamically by French Vigneron, Renan Cataliotti, to respect our soil and craft the best Pinot noir, Chardonnay, Pinot gris and Rosé from our very unique and special terroir”. (French Peack Wines)
Spirituality	“Their goal is to enhance the land so that all can enjoy it now and encourage future generations to respect and care for the land.” (Dunbar Estates) “The land represents our earth mother, Papatuanuku, who provides nourishment for us, not only physically but emotionally and spiritually. Ranginui, the sky father, contributes life

	and knowledge. In this sense, all humans are unified by being children of the earth and sky.” (Dunbar Estates)
Responsibility	<p>“We are constantly reviewing our processes to ensure we are responsible”.</p> <p>“As part of environmental biodiversity and responsibility in recent years, Felton Road has helped raise and release three native New Zealand falcons (Kārearea) (Felton Road)</p>
Moral obligation	“We believe we have a moral obligation to preserve our rural environment.” (Aurum Wines)
Preservation	“We see our role as a caretaker of this part of the world. We strive to minimize or eliminate any activities that are wasteful or harmful to the environment so that future generations can continue to enjoy our extraordinary landscape. Our vineyards are farmed using 100% sustainable methods to best preserve each varietal’s unique characteristics.”(Dashwood)
Minimum intervention	“Our surroundings are something we cherish, and which we wish to safeguard and preserve.”(Craggy Range)
Minimize waste	<p>Decibel Wines are my vision to create wines using classic practices, minimal intervention, and wines with a community-based attitude. (Decibel Wines)</p> <p>“Our solution is simple: do not throw anything away”.(Felton Road)</p>
Ethical	<p>“From the outset, there was one goal: to be an ethical, sustainable vineyard crafting food-friendly wine” (Bellbird)</p> <p>“Constellation Brands has been committed to building our business in an ethical and responsible manner since our founding more than 70 years ago.”(Constellation Brand)</p>
Small scale	<p>“The old-fashioned notion that small is beautiful, that honest sweat produces happiness turns out to be our guiding principle.” (Coney Wines)</p> <p>“Our wines are crafted by hand in small batches with a focus on harnessing our region's distinctive conditions to produce elegant and expressive wines.” (Colombo Martinborough)</p> <p>We produce small volumes of high-quality wines with an emphasis on elegance, texture and balance. (De La Terre Winery)</p>
Equality	“Biodynamics is a philosophy that requires an equal level of care to everything in our environment, and that includes the people who work for us” (Felton Road)

Sixteen organic and biodynamic family businesses in our sample study indicated their desire to remain as a small-scale boutique family firm that implements a traditional, hands-on approach for winegrowing and production. The following statements exemplified the above:

Ellero is a small producer of expressive wines from Central Otago. We are artisan winegrowers dedicated to making honest wines that reflect the individuality of our vineyard sites. We produce Pinot Noir from our organically managed vineyard, just as Ellero is a composite of our surnames, the wines we make are a fusion of our lifelong history in the wine business, our choices, our hands on approach and the commitment to our vineyard and winemaking (Ellero).

The family desire to maintain the quality and taste of the wine was often stated in the written content as a key motive behind ES engagement of family firms. This is evident in the following statement:

Quality over quantity. From the beginning, we have been very conscientious about the health of our vineyards. We do this not for commercial or publicity reasons but genuine concern for our lands, plants, environment and the health of our team. We also believe that organic wines, by virtue of there being no artificial chemical substances put on or near our vines, will be much purer expressions of their terroir and vintage (Fromm Winery).

Overall, these results suggest that family involvement in the business creates a favourable environment for family firms to engage in ES activities. The direct involvement of family members in the environmental decisions, and the embeddedness of the family values, tradition and culture in the family business, the use of family resources and the desire of the family to maintain small scale business all positively related to ES engagement.

### **3.5.2 Research objective 2: Family logics and ES engagement**

This section presents the key family logics identified through the analysis, including the influence of the founder, noneconomic goals, long – term orientation, and family name, identity and reputation.

#### **3.5.2.1 Family business owners and ES engagement:**

The personal values, environmental concerns, experience, environmental exposure, and long-term orientation of the founding owners as a dominant family logic behind ES engagement of family firms were identified in the sample.

In the wine industry, the land (vineyard, estate) is inextricably intertwined with the operations of the family business. Therefore, preserving the quality of the land for the next generation requires greater resources, effort and commitment from the founding owners. For example, from the 25 organic and biodynamic certified family firms in the sample, 15 (which are fully certified as organic and biodynamic) had written content expressing the founding owners as

the dominant force behind their decision to follow organic practices. Moreover, from 42 SWNZ certified winegrowers, 18 family firms have clear written content that associate the personal values of the founding owners with their decision making and actions for ES. Figure 2 shows sample written content extracted from the websites and theoretical dimensions relating to the influence of the founders over ES engagement.

Most of the websites of the sample family firms allocated significant web content to narrate the story of the founding owners. The content highlights the commitment, values, legacy and characteristics of founding owners (see Figure 2). The wording of these narratives indicates the hardship of the founding period and emphasises founder characteristics through terms, for example: "hard-working," "enthusiastic," "resourceful," "experienced," and "responsible." Most of the organic business founders detailed their attachment to the natural environment through terms like "love for the land," "inspired," and "guardians of the land."

The majority of the sample websites included phrases like "fall in love with the land" as part of the founding environment, along with descriptions of the love, respect, care and responsibility of the founding owners towards the land and nature. Figure 2 exemplified the desire of the founding owners to leave a legacy as a responsible owner. The personal values of founding owners were mainly related to family and family members' health and safety, preserving resources for future generations and spirituality.

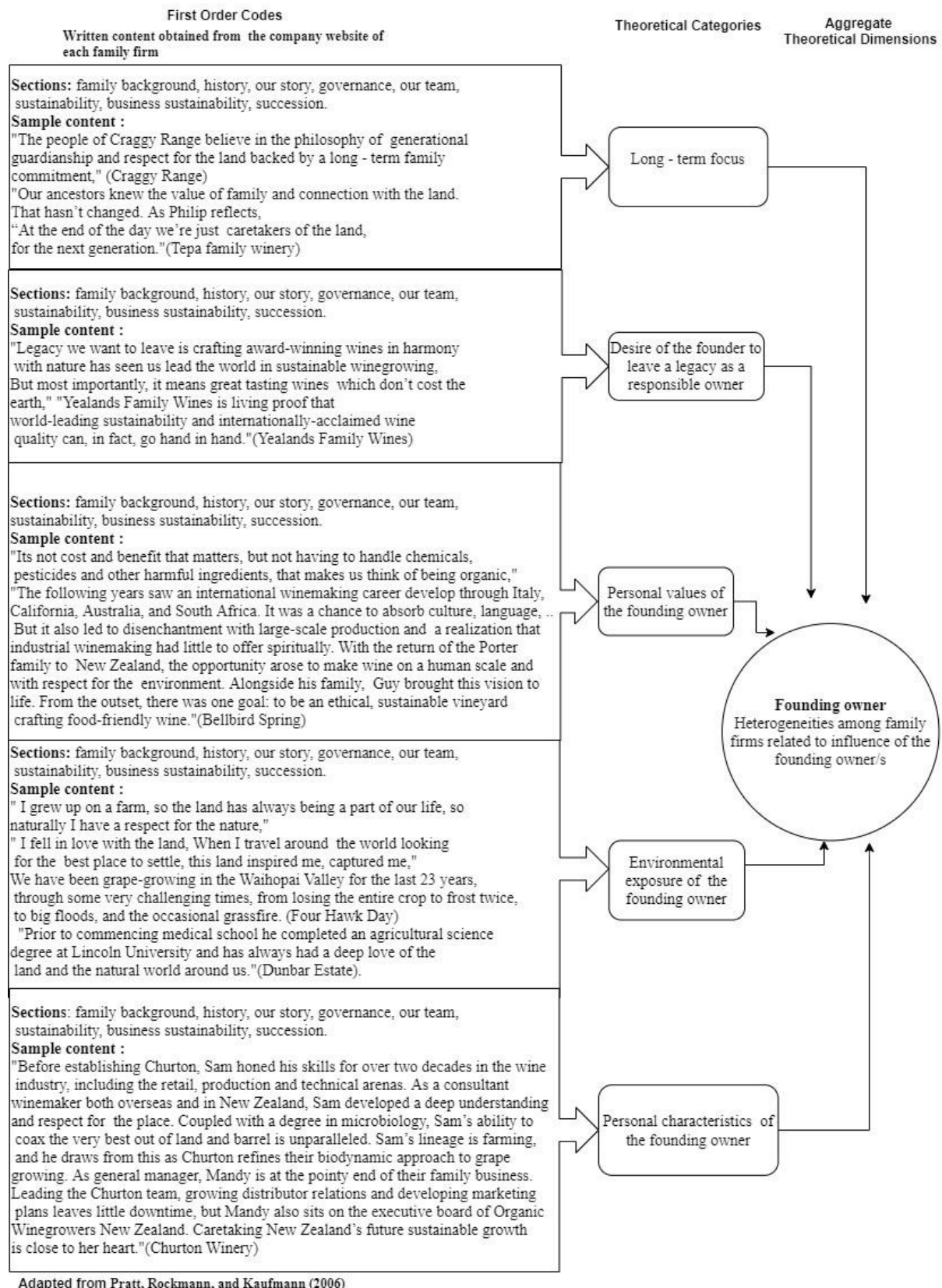


Figure 2. Imprinting of the founding owners



Together the findings provide important insights into the influence of the founding owner as a family logic that dominates ES decisions and actions of family firms.

### **3.5.2.2 Non-economic objectives and ES engagement**

Another important family logic is non-economic objectives that the family wants to achieve through the ES engagement. Figure 3 illustrates a few non-economic goals that were identified by analysing the written content of the corporate websites.

One of the non-economic objectives is the safety and health of the family members. Results show that 94% of family-owned wineries in our sample have their nuclear and extended families living in the homes located on the family vineyard. Therefore, the health and safety of family members and the desire of the founding owners (primarily as parents) to have a chemical-free, pesticide-free environment for their children to live in were often highlighted as a dominant reason behind their decision to go for organic, biodynamic and for other sustainable practices. Most often, the term "family" also included their nonfamily employees. Those small boutique wineries with restaurants, wine tasting and wine cellars in the family estate also included customers as part of their extended family. These results suggest a strong positive association between the health concern and wellbeing of the family members, customers, and employees as a dominant reason for ES engagement of family firms in the wine industry. Figure 3 exemplified these finding.

Business sustainability, the desire of the founding owners to continue the family business over a long period, is another nonfinancial goal that was identified through the analysis. Business sustainability includes maintaining the quality of the product (taste of wines). In the wine industry, the quality of the product depends on the quality of natural resources such as soil, water and climate. Therefore, preserving the land and its natural resources is critical to ensure a continuous supply of resources that can sustain the business. Interestingly, the evidence shows the co-existence of commercial and family logics: family logic being the desire for legacy continuity through generation, and commercial logic being the maintenance of product quality and demand.

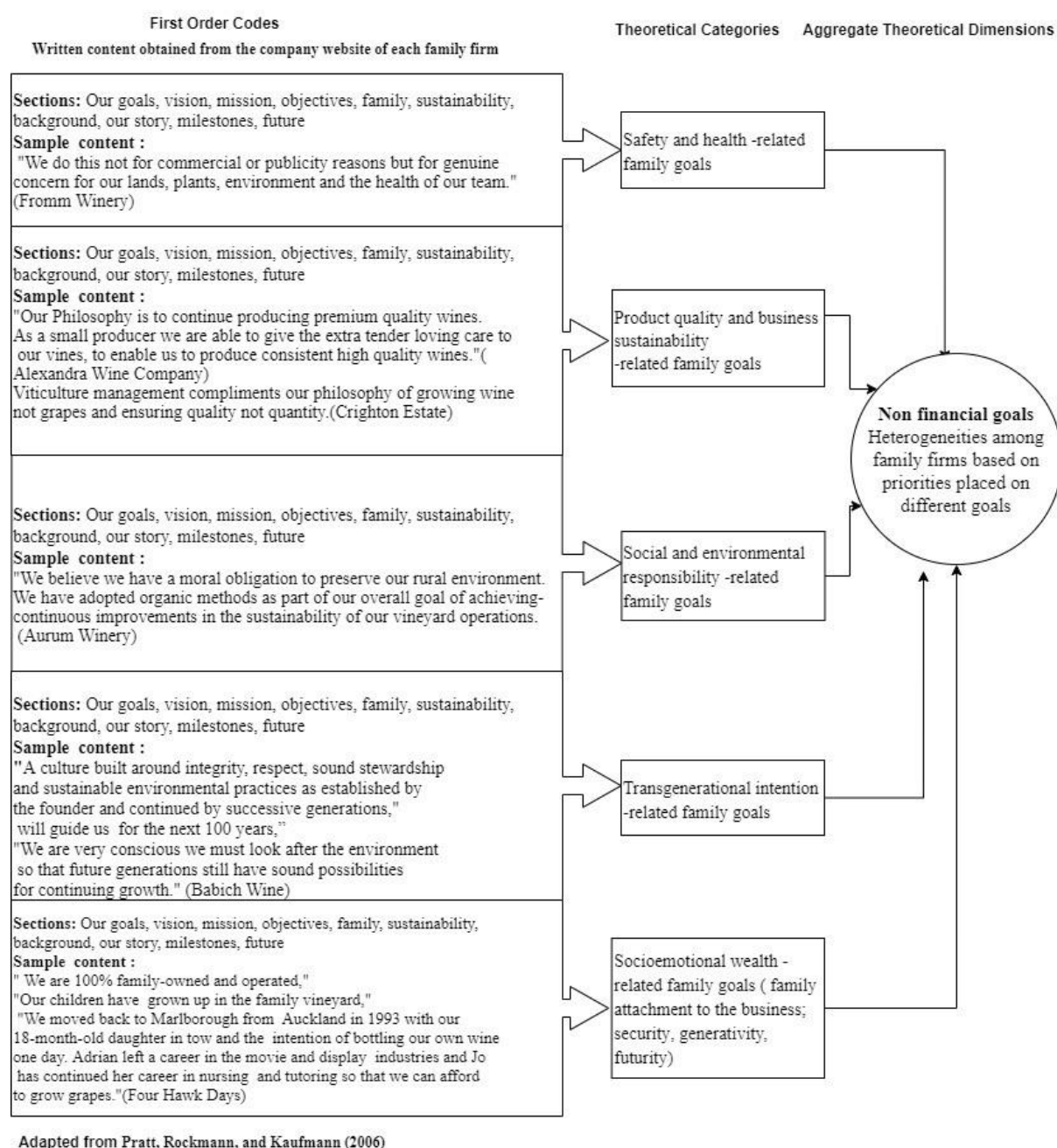


Figure 3. Nonfinancial goals

Transgenerational continuity is an aspect of business continuity (as another non-economic goal). The above goal also indicates the motivation of the family and the founding owners to continue the founding legacy as a responsible business. Table 4 shows some examples. Surprisingly, young, small, organic and biodynamic family firms run by husband-and-wife teams, who also have young children, did not indicate transgenerational intentions in their written content. In contrast, most of the medium, long-established family firms, with at least two or more generations working together, provided ample evidence for transgenerational

intention. For instance, the first category of family firms often noted, "the need to raise the next generation in a safe and healthy environment," while the second category stated family, "desire to preserve the land for future generations" as critical motives for ES engagement. A large percentage of family businesses also included, "the ability of the future generation to use quality natural resources," and, "land as a critical resource required for the business survival" as ES engagement motives. Table 4 below includes sample written content extracted from corporate websites that further exemplified this finding.

Table 4. Transgenerational intention

Sample written content	Transgenerational intention	How it relates to and ES
"Vicki was committed to protecting the soils here for future generations. Johnny credits his late wife Vicki with igniting his passion for organics as she was so driven to ensure her family was eating safe, healthy food" (Bostock Wines)	Protect the soil for future generations.	Preserve the quality of the land by implementing sustainable, organic and biodynamic practices. So that family business can be sustained across generations. Also, the next generation family members will enjoy a similar natural environment.
"Sustainability is very dear to me; as a young winemaker, I want those resources I am using now have to be there for me in the future, or better for those who follow me" (Babich Wines)  "We need to save our natural resources for future generations," "We strive to minimise or eliminate any activities that are wasteful or harmful to the environment so that future generations can continue to enjoy our extraordinary landscape." (Aurum Wines)	Preserve resources for the use of future generation.	
"As a family company, the desire to leave something for the next generation is an ever-present and overriding business objective" (Coney Wines)	The desire to leave something for the next generation	
"We are careful to employ traditional winemaking techniques for each vintage; however, we do have a few secrets of our own -secrets that will be passed from generation to generation of Abbey's winemakers for years to come." (Abbey Cellars)  "In 1993, Terry Peabody and his wife, Mary decided they wanted to create a family legacy, one that could be handed down to future generations. To ensure a firm commitment, Terry Peabody honoured the original promise to his family of leaving a legacy for the family still to come and established a 1000-year trust, meaning the winery can never be sold." (Craggy Range)	The desire to continue family tradition and legacy	

The second category of family firms that we discussed above often implied long-term orientation (long-term view, long-term focus) with ES engagement discussion. Figure 4 illustrates the long-term focus of some family firms.

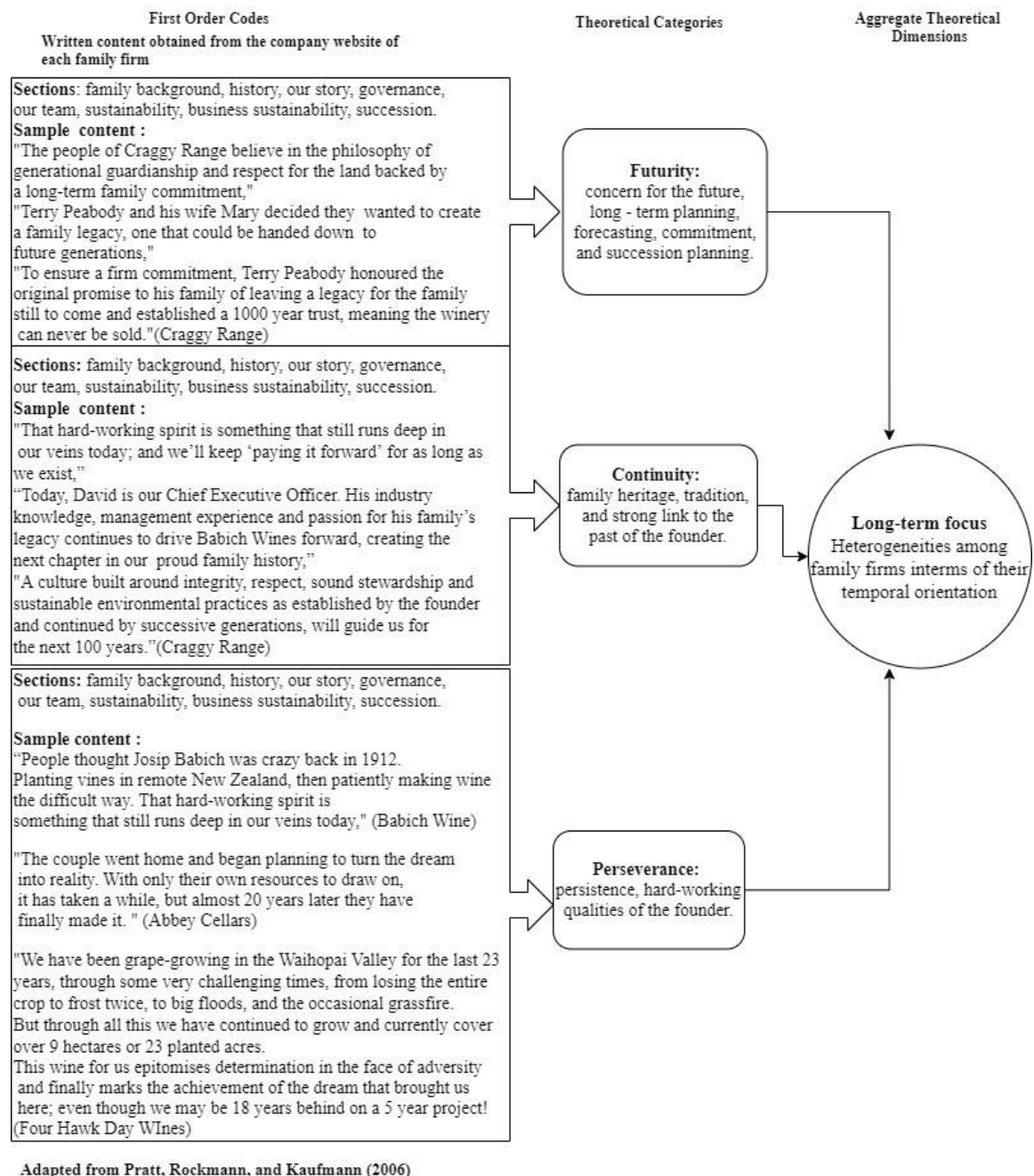


Figure 4. Long term orientation

In summary, the information stated above highlighted noneconomic goals of family firms as a dominant logic behind ES engagement decisions and actions of family firms.

### **3.5.2.3 Family name, identity, reputation and ES engagement**

Another noneconomic objective identified through the analysis is the desire of the family to preserve their socioemotional wealth: 1) Family name, identity, reputation, founder name attached with the wine brand, winery and market reputation; 2) Family concern for preserving long established connections with the local neighbourhood (local embeddedness).

Most of our sample companies are 100% family-owned; some nonfamily employees are part of their management. Nearly 40% of the sample directly or indirectly attached the name of the family or the founder to the name of the product or the family business. The above association motivates the family business to adhere to responsible practices so as not to tarnish the name of the family.

Family firms that considered their business as "very much a family business" emphasised the emotional attachment between the family and the business. As discussed in the research context, the wine business operates through a combination of natural resources (land, water, climate) and family resources. For most, the family home is on the wine estate itself. The following Te Mata Estate text highlights the emotional bonds between the family and their business:

Te Mata Estate was an auspicious find for John and Wendy Buck. The year was 1974, and the couple were parents to two young sons – Jonathon and Nick. Their third son Toby was born shortly after the purchase. Eldest son Jonathan is now the vineyard manager at Te Mata's Woodthorpe Terraces. Nick is now CO and Toby has recently come back into the business as Marketing and Communications Manager. The eldest grandchild, Zara, is the third generation working on site, in the cellar door and packaging department during school holidays and weekends, while her brother Henry and sister Tamzin help pick grapes each vintage.

We also found that most families are rooted in the local neighbourhood and have a network of relationships with various local supplies, sellers and most importantly, the community that provides casual labour. Therefore, the family name, its reputation and social embeddedness is highly sensitive to the family firms social and responsible behaviour. The above quotation indicates the sacrifices of family members and their emotional attachment to the land and the family business. According to company websites, these emotions become a strong force that drives firms to achieve sustainability across many areas, including ES.

### 3.5.3 Research objectives 3: Antecedents of heterogeneities among family firms related to ES engagement.

A surprising degree of variation in the family and business interaction in term of family influence was identified. Table 5 below list a set of family-based variables that may cause heterogeneities among family firms.

Table 5 shows the possible list of antecedents of heterogeneities among family firms based on the written content present in the company websites of the sample study. As per table 5, we categorised family logics into five dominant areas; family ownership, founder, the next generation, benefits that the family expect to receive through ES engagement, and noneconomic goals. The analysis also shows variations of these factors among the sample family firms (Table 5). For example, most fully certified organic and biodynamic, small and boutique wineries, operated by a husband-and-wife team, have associated their environmental values, the determination and the commitment to run the business as an organic operation in their ES disclosure. Other family firms (mostly long-established, small and medium family firms run with two or more generations) emphasised the local embeddedness of the founding owners. In contrast, some others emphasised the desire to maintain the quality of the wineries across generations (mostly family firms with non-family employees involve in critical decisions and actions related to ES engagement of the family firms). Similarly, there are variations in the other four categories.

Table 5. Antecedents of heterogeneities of family firms

Family logics	Family-related heterogeneities
Family ownership and control-based variations	<p>100% family-owned or not, Family owned and some external partners</p> <p>Family ownership and friends</p> <p>Number of family members in the governance and management (husband-wife run, or few generations working together; or family ownership and manager-non-family employees)</p> <p>Controlling shares owned by the family members</p>
Founder/ founding owners/ family members actively participate in the management -related variations	<p>Founding values, personal values of the founding owners and other family members in charge of the ES engagement</p> <p>Environmental philosophy of founding owners</p> <p>Personal characteristics of the founding owners: education, experience, industry exposure, relationship with the land, travelling</p>

	<p>experience (exposure to mass-scale wine production and impact on natural environment)</p> <p>Family attachment and relationships with the natural environment (farming history, or no farming history)</p>
Next generations involvement/ -related variations	<p>Number of generations working in the business</p> <p>Personal characteristics of the next generation: education in the related field and exposure to environmental sustainability practices industry exposure</p> <p>Partner's contribution, Next generation values</p>
Environmental benefits that the family seeks through the ES activities -related variations	<p>Benefits related to product, market, advertising and quality</p> <p>Benefits related to future generations</p> <p>Benefits related to preserving natural environment and biodiversity</p> <p>Emotional benefits such as satisfactions through environmental preservation</p> <p>Benefits relating to economic profit, such as market expansion.</p>
Family non-economic goals – related variations	<p>Transgenerational intention, Family health, Employees and customers health</p> <p>Responsibility towards the environment and society</p> <p>Desire to maintain the quality and the taste of the wine product</p> <p>To ensure the sustainability of the family business (make sure quality natural resources are available through to the next generation)</p> <p>Family name, identity attachment with the family firm</p>

### 3.5.4 Research objective 4: Typologies of family firms

The final objective was to develop typologies of family businesses based on the identified heterogeneities. The following typologies were developed based on the five categories of variations identified in Table 5 above. It should be noted that we selected only those most prominent variations in the ES disclosure of the sampled companies (Table 6-column 1- family logics).

Family businesses which belong to type 1—Family First—are mostly medium to large scale, some with 125 years' industry experience. Family First businesses can even be called a family dynasty. We found that the web content produced by Family First businesses actively highlighted the family desire to be sustainable, with multiple nonfinancial goals and mostly

transgenerational intention. Type 3—Upstarts—are family businesses with a strong desire to provide young family members with an environment free from chemicals and pesticides to ensure their safety and health. Type 2 - Business First, family businesses have a majority of controlling shares; they are still family-owned, but nonfamily employees manage and operate the business. The family members are not engaged in the management of the business. The sustainability practices noted in the web content of these businesses mainly related to social and environmental responsibility, product quality and branding practices. In our sample, we found only a few businesses that could be labelled Business First relative to Family First and Upstarts.

The above typologies imply that the motives and the number of resources used for ES differ from firm to firm based on the family variables illustrated in Table 6. Creating the typology helps to highlight variations among firms' engagement with ES. While the Family First and Business First company websites indicated slight differences between the ES engagement, there were apparent differences in the wife-husband owned and operated content, small-to-medium and boutique family firms (Upstarts). While the first two categories implemented sustainability in the later stages of the business life cycle (maturity or growth), the Upstarts started the business primarily as organic-based vineyards or wineries. Closer analysis of the family systems showed that Family First firms contain extended families with a long-established culture, values, legacy and reputation to preserve. Therefore, these firms have few mutually exclusive nonfinancial goals to achieve through ES. At the opposite end of the continuum, most Upstarts highlighted the safety and health of their young family members. These firms also revealed their desire to keep the business small to avoid the extra cost of land, labour, capital and the practical difficulties when expanding organic businesses. Company websites of Upstarts did not indicate a transgenerational intention or long-term focus.



Table 6. Typology of family firms

<b>Family logics</b>	<b>1: Family First Multigenerational businesses with strong familiness</b>	<b>2: Business First Family businesses operated by nonfamily managers with weak familiness</b>	<b>3: Upstarts – Young, first-generation family firms, a moderate to a healthy level of familiness</b>
Family ownership	100% family owned	100% family owned	100% family owned
Family operated	Two or more family members are in a management position.	Nonfamily employees are in key management positions.	Husband and wife are in key management positions. In some cases, siblings have invested in the business.
Number of generations working in the business	Two or more generations are working together in the business, bringing different generational experiences and exposure.	Family members may not actively work in the business.  Recruitment of nonfamily employees who have relevant experience	Wife/husband or siblings; only the first generation working in the business, most of them have specialised in the production, sometimes get help from extended family and friends (e.g., during harvesting period).
Family status	Traditional family with influential culture and values and extended family involved in business activities. They are highly embedded in the locality and the place. Family name and the name of the family estate is part of the identity of the family firm.	Family status does not significantly impact business operations and decisions—mostly migrant families who invested in an existing vineyard or bought a vineyard from previous owners. Does not have much experience in the business, is not locally embedded.	Young family, small children or dependent older children, extended family is not directly involved in the business. Mostly migrant, some are locals who travelled around the world, now want to settle with the young family members, fell in love with the land. At least one partner or parents are locally embedded.
Drivers of ES engagement	Family reputation. Local neighbourhood and network of relationships. Competition.  Second or third generation involvement and influence, innovations, and values play a crucial role in initiating ES activities in older businesses.	Values and experiences of nonfamily managers.  Product branding marketing, export demand, employee health and wellbeing.	The values of the founding owners play a critical role. The locality has minimal impact as they are mostly not locally embedded. The safety and health of the children is a key priority. Demand from the niche market, which prefers organic products, is a crucial concern.

Nonfinancial goals related to ES	For example, multiple goals include transgenerational intention, long-term focus, business sustainability, social responsibility, and socioemotional wealth preservation.	It is mostly commercial, ES related to promoting brand and export market, customer demand, and the employees' safety and health requirements.	The key goal is to ensure their children will have a safe and healthy environment to live in, to maintain small-scale business, satisfy a niche customer group.
Family influence	Founder vision, mission, imprints, experience and exposure, generation of experience, strong values and attitude towards preserving the land, human capital, financial capital, the network of relationship with suppliers and customers, education, industry exposure of multigeneration family members.	The family contribution is only through capital and shares.	Industry exposure, exposure through travelling around the world, education qualification of the husband-and-wife team. Hardworking and persistent qualities of founders and their innovative ideas and flexibility to change.
Engagement with ES	Mostly certified as sustainable, some sections of the businesses are partially, entirely or in the process of being organically certified. Starting the ES process later in the business lifecycle.	Mostly sustainable – some sections of the businesses are fully or partially organic certified. Variations in this typology with evidence of both innovative engagement and lower levels of engagement.	Mostly organic and also follow biodynamic practices. Started the business as an organic business, primarily run a small-scale business, innovative in applying new ES practices.

The following section includes the discussion of the findings with a comparison to the extant research.

### 3.6 Discussion

As mentioned in the literature review, a strong relationship between ownership structure and ES engagement (Cordeiro, Profumo, & Tutore, 2020; Dal Maso et al., 2020) has been reported. Several studies have shown that family business, with its unique organisational structure (family and the business interaction), is influenced by multiple logics (commercial logic, family logic) (Brundin & Wigren-Kristoferson, 2013; Corbett, Webster, & Jenkin, 2018; Fathallah, Sidani, & Khalil, 2020; Jaskiewicz et al., 2016). Prior studies have noted the importance of family logics, for example, socioemotional wealth and family motivation over ES decisions and actions of family firms (Dangelico, Nastasi, & Pisa, 2019; de las Heras-Rosas

& Herrera, 2020; Doluca et al., 2018). However, in analysing the literature, we found little evidence regarding dominant family logics associated with ES, especially heterogeneity among family firms. Therefore, the broader goal (and four objectives stated in the introduction) of this research is to empirically investigate the antecedents of heterogeneities among family firms related to ES. Seventy-two family businesses operating in the New Zealand wine industry were investigated. All the sample companies are family owned and operated.

The first research objective was to understand the influence of family over the ES engagement of family firms. We found written content of corporate websites indicating a positive association between family ownership, family resources, family identity, values, tradition, history, and family's local and social embeddedness to the ES engagement of family firms. These associations were most evident in long-established family firms with two or more generations working together in the business. Most of these businesses are SWNZ certified and converted part or whole operations to fully organic and biodynamic practices. These findings broadly support other studies in this area linking family involvement with corporate social and ES engagement. For example, Abdul-Nasser, ElGammal, and Fahed-Sreih (2018), stated that family members' engagement on the board of directors and decision making plays a moderating role in the relationship between them and CSR toward community and environment. In terms of resource allocation, Ardito, Messeni Petruzzelli, Pascucci, and Peruffo (2019), showed a positive relationship between the involvement of family firms and green innovation value.

The extant research often focused on personal values and the socioemotional wealth as dominant family logics. Our research extends this discussion by noting that family aspects such as family embeddedness in the local/geographical area, family connection with the neighbourhood, the involvement of the next generation, family history (such as generations of farming) are some of the other family variables that were associated with the ES disclosure of sampled firms. Moreover, the variable that dominates the ES decision of one firm is different from that of another. Further, we found the importance of the family business to the family, economically, socially, and emotionally as having significant implications for family firms' ES engagements. For example, the memories of their children associated with the natural environment surrounding the vineyard (my children grew up in this environment) and self-identity – “I grew up with a farming family”, can influence ES decisions of the founding

owners. This type of social (memories of the family associated with nature) and emotional (self-identity with nature) aspect of the socioemotional wealth requires further investigation.

The second objective was to identify which family logic was more often highlighted as the key motive for family firms to engage in the current level of ES engagement. Values, personal characteristics (education, experience, exposure), and environmental concerns of the founding owners have been identified as the most often highlighted logic associated with ES engagement of family firms. Nearly all organic and biodynamic family firms have written content associating the founding owners desire to produce wine in organic and biodynamic ways. Such desire was driven by their early childhood exposure to natural environments, or either their education and international, local industry exposure. For example, the desire of the founding owners to start an organic family business was driven by their exposure to the negative impact of mass-scale wine production and wine-growing on the natural environment.

Extant research has positively correlated the values and characteristics of the founder over many aspects of the family firm, including ES (Collins, Roper, & Lawrence, 2010; Miller et al., 2011; Oon, Prabhu, & Singh, 2015; Panicker, 2017; Schein, 1995). In contrast, some researchers have discussed the negative side of the long-existing imprints of the founder, over the growth of the business, for example, lack of innovation for the family firm (Davis & Harveston, 1999). Presas, Muñoz, and Guia (2011), have discussed the critical role of the founding owner in promoting sustainability-based brand image in the wine industry. Similarly, Williams and Schaefer (2013a), explained how the personal values of managers motivate them to learn about environmental issues and strategies, therefore leads to more proactive actions. As different owners/managers have different degrees of experience, exposure, and values, their engagement with the ES naturally varies (Ercilia García-Álvarez & López-Sintas, 2001). This study did not find significant evidence for negative associations; this is likely due to family firms publishing only positive content on their corporate websites.

Our research extends the theoretical discussion related to the values connection to ES by emphasising the importance of understanding the origin of the environmental values. We found numerous instances where the environmental disclosure related the profile characteristics of the founding owners and the family's historical events to the changes in the direction of ES engagement of the family firm. For example, we found generations of farming experience, childhood exposure to outdoor activities, exposure of the founding owners to mass-scale

production and chemical use, becoming young parents and establishing a family, as some of the life events that can influence some families to change their direction of ES engagement (converting to organic and biodynamic practices). Therefore, there is abundant room for further progress in determining how families' historical and life events influence ES decisions and the directions of family firms.

Noneconomic goals of family firms (e.g., health and safety of the family, employees and customers; long- term orientation; transgenerational intention) are another set of family logic that are positively associated with ES engagement. Apart from this, most long-standing family firms have stated their desire to leave quality natural resources and a healthy, safe and sound environment for their future generations. Those researchers who associated the global wine industry with ES issues also found similar evidence, for example, "for practitioners in the wine industry; priority number one is leaving the land in better shape for the next generation" (Gilinsky et al., 2016, p. 38).

The third objective focused on understanding the antecedents of heterogeneities among family firms. In the analysis, we found variations among family firms can arise due to many independent variables: founder, family involvement, next generation, and family noneconomic goals-based variations.

Some of our findings are supported by the previous literature on the heterogeneities of family firms. Block and Wagner (2014) and Oswald, Muse, and Rutherford (2009), stated that the number of shares owned by the family, family management (i.e., having a family CEO) and family ownership appear to have different effects on CSR concerns. Similarly, Dawson, Ginesti, and Sciascia (2020), suggested that ownership and the generational stage (number of generations working in the business) leads to heterogeneities among Italian family businesses in the wine industry. Arena and Michelon (2018), explained that different families desire different dimensions of socioemotional wealth. Therefore, ES reporting is different based on which dimension is preferred by each family firm. A similar idea was presented by Mitchell, Agle, Chrisman, and Spence (2011). From the analysis of this paper, most of the family firms in the sample indicated their interest in preserving the family name, identity, and reputation as part of the socio-emotional wealth.

Our research extends those extant discussions on family influence and heterogeneities among family firms related to ES. First, we have provided a range of family-related variables (Table

5) and organised them, as mentioned earlier, into five categories. From the five categories, we found that the environmental disclosure of multigenerational family firms often relates the social, emotional and economic needs of the next generation with ES engagement of family firms. However, the extant research has not adequately discussed the involvement of the next generation and how they can motivate and influence the ES decisions and actions of the founding generations. For example, the organic and biodynamic family firms mainly stated their desire to preserve the needs of family members, which is creating a safe environment for their children.

Terlaak, Kim, and Roh (2018), stated that the benefits each family firm expects from engaging in ES are different. Accordingly, there can be heterogeneities among family firms in their ES engagement. Similarly, this research identified several different benefits that family firms in the wine industry expect from ES. Most often, one is taking care of the land so that land will produce similar quality grapes for an extended period; second, leaving quality natural resources for the future generation; third, the family who have roots in the local neighbourhood for an extended period, desire to preserve the natural environment that benefits the local neighbourhood. Most young, organic family firms run by the wife – and husband team implied the critical benefit they seek is to have a safe, healthy environment for their children. There is evidence in the written content of the sample websites that shows some families' willingness to sacrifice profit, quantity, and large-scale production to maintain quality, small scale, and organic operations.

Overall, the above research explains the antecedents of variations among family firms and the possibility that these variations will lead to heterogeneities among their ES engagement.

The fourth research objective is focused on developing a typology of family firms based on identified variations. This approach is supported by researchers at the intersection of family businesses and the ES. For example, Ercilia García-Álvarez and López-Sintas (2001), developed a values profile and constructed a taxonomy of four founders: founder of family tradition, achiever, strategist, and inventor. The authors stated that the taxonomy reflects the heterogeneities among family firms. Bingham, Dyer Jr, Smith, and Adams (2011), have classified family firms based on the stakeholder orientation approach to corporate social performance. These studies have stated the importance of constructing taxonomy and groups. The strategic choices regarding ES decision can be customised to match the characteristics

identified from each group. It is also possible to predict the ES behaviour of a similar group of family firms in the future. The typologies presented in this paper conceptualised and related ES engagement with three different profiles of family firms. This study could be repeated using other data collection methods such as interviews and case studies to better establish the typologies developed here.

### **3.7 Conclusion, contributions and limitations**

The present research aimed to examine family logics that can dominate the ES engagement decisions and actions of family firms and identify variations among family firms that can cause heterogeneities in their engagement with ES. The most significant finding to emerge from this study is that the personal values of the founding owners and family values play a dominant role in ES engagement decisions and actions in family firms. One of the other significant findings to emerge from this study is that the health and safety requirements of the family members, non-family employees, and customers are important for family businesses to engage in organic and biodynamic practices.

The findings confirmed that variations among family firms occurred due to the involvement of the family and the founder in the family business. The variations in the values, characteristics, desire of the founding owners and the next generation, with the variations in the family ownership, structure, family nonfinancial goals, are the main antecedents of heterogeneities among family firms. Understanding variations are important as it helps to construct typologies of family firms. This study has conceptualised three typologies: Family First – family owned and operated, multigenerational businesses; Business First businesses—family-owned, but operated by non-family members; and Upstarts—husband and wife owned and operated family businesses. These typologies were based on the information presented on corporate websites. However, future research with more primary data (interviews and case study) can confirm and expand the typologies. Future research can also extend this study to multiple industries.

Additionally, we found the desire to maintain the quality of the wine and the taste as a robust commercial logic that coexists with the family logics. Thus, this study indicates that multiple logics could influence the family firms in their approach to ES. Investigating how family logics and commercial logics co-exists in the family business, and the influence of the unique

interaction between these competing logics on ES engagement of family firms, is an important issue for future research.

The findings from this study make several contributions to the literature. First, the empirical findings of this study have extended our knowledge of family involvement in ES engagement of family business. Secondly, this study contributes to our understanding of the family-based-antecedents of heterogeneities among family firms related to ES in the context of the wine industry. The current study also confirms the findings of previous research that emphasised the values of the founding owners and managers as playing a dominant role in determining ES engagement of small and medium family businesses. This appears to be the first study to analyse written content on the corporate website to understand how family firms related their family values and family involvement with ES engagement of family firms.

The results of the study can be used to develop targeted interventions to improve the ES engagement of the wine industry. For example, the Sustainable Winegrowers Association can use this information when promoting ES actions among family firms to explain what emotional benefits the family can receive by engaging in ES activities.

The selection of the unique context (New Zealand wine industry) enabled an in-depth understanding of the environmental disclosure of those family firms related to the family influence in terms of the founding period, founders, next generation and family firms which are uniquely embedded in a particular geographical location, and socially and economically dependent on the natural environment and the local community for its survival. Therefore, our research contributes to the extant discussion on ES and family firms by highlighting that, environmental values and priorities are developed relative to the context within which an individual associates with the natural environment. Further, the engagement with the natural environment depends on how far that individual is emotionally, economically and socially bonded with the natural environment. Future researcher should control or consider the contextual variables of the units of the study. For example, the comparison of individuals' values will be not meaningful unless the context within which each individual socialises their values is carefully understood and explained.



The current study leads to several areas for future research on family values and ES. First, the sources of environmental values and how different sources lead to heterogeneities in the ES engagement can be explored. Second, future research can examine the continuity of an environmental legacy in the family business by investigating the connection between the founding and the next generation of family members regarding the natural environment. Third, future ES researchers can explore the local or geographical embeddedness of the family and its association with the engagement with ES. There are also opportunities in determining how families' historical and life events influence ES decisions and the direction of family firms. Further, even though socio-emotional wealth is a commonly used theoretical approach in the family business literature, there is still room for social (memories of the family associated with nature) and emotional (self-identity with nature) aspects of the socioemotional wealth influence over ES decisions and actions of family firms.

A limitation of the QulCA is that it was based on content from corporate websites. How firms portray themselves on their website may differ—even significantly differ—from reality. Nevertheless, previous researchers justified our method, using data from corporate websites to explore family influence in other aspects (Bingham et al., 2011). The current paper can be considered as the first step to analyse the heterogeneities in family influence related to ES. However, the vast amount of information present in the corporate websites (in the areas of the founding period, family history, family relationship with the natural environment, next generation experience with the land, next generation profiling) of family firms can be utilised in the future to develop more complex profiling and clusters of family firms.

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# **Chapter Four/ Manuscript 3: They Look Like Us, but Will Their Values Look Like Ours? Environmental Values Transmission in Family Businesses**

## **Prelude**

This exploratory study examines the socialisation process through which next generation family members form their environmental values and how the founding generation transmits its values to them in a way that maintains the family business' environmental legacy. A qualitative content analysis of corporate websites and multiple case studies were conducted. Nine propositions for future research were developed concerning primary socialisation, resocialisation, the dyadic transmission of values, and intergenerational differences in environmental values.

Manuscript 3 is still work in progress. This was accepted as a full paper for the International Family Enterprise Research Academy virtual conference 14-25 June 2021(IFERA 2021). I revised the paper based on feedback from reviewers and resubmitted it to the conference. This manuscript has been accepted for a paper development workshop (PDW) at IFERA 2021 with an editor of a leading journal in the field of family business. I participated in the PDW (11th June 2021) and based on the feedback from the editor and the panel, I plan to divide the research objectives into two papers, one focused on the socialisation context of the founding and the next generation, and another paper focused on the intergenerational transmission of values and legacy continuity. The overall feedback was to narrow down the scope of manuscript 3 to a very specific area for the purpose of publication. The manuscript present here is the original paper submitted for the PDW. Case studies are attached at the end of the thesis document.

## **4.1 Introduction**

Scholars such as Craig and Dibrell (2006); Walton, Zhang, and O'Kane (2020); Wang and Mao (2020) identified environmental sustainability (ES) as one of the main strategic concerns of contemporary business organisations. Others (Craig & Dibrell, 2006; Marques, Presas, & Simon, 2014; S. Marshall, M. Cordano, & M. Silverman, 2005; S. Sharma, 2000) highlighted

the importance of the managers' and founding owners' personal values in business organisations' ES engagement, and how these motivate and direct their decisions and actions regarding ES. Importantly, in the context of the family business (FB), Ruf et al. (2021) recognize owner-manager values as an underlying motivator to be socially and environmentally responsible.

FBs are concerned about 'pursuing a legacy' and, given that "Family legacies guide family firm behaviour, influence family firm decision making, and establish both material wealth and values that may be passed down to future generations" ((Nathan L Hammond, Allison W Pearson, & Daniel T Holt, 2016, p. 1210), there is ongoing discussion on how continuity of individual values and/or family values relate to pursuing legacy. For example, Hunter and Rowles (2005) found that the legacy of values is more important than other legacy forms. Nevertheless, the extant literature either overlooks or neglects how a family can pursue an environmental legacy in the FB.

Research on ES in FBs has been mostly restricted to the comparison of family firms and nonfamily firms (Dekker & Hasso, 2016; Uhlaner, Berent-Braun, Jeurissen, & de Wit, 2012; Zientara, 2017) to identify types of values and how these values influence behaviour (Picone, De Massis, Tang, & Piccolo, 2021; Ruf, Graffius, Wolff, Moog, & Felden, 2021). Consequently, the continuity of a family's legacy as a socially and environmentally responsible business via the next generation (NxG) has not been examined adequately. Research focused on understanding how the NxG family members form their environmental values, how the founding generation transmits its environmental values to the NxG, and the continuity of an environmental legacy is therefore critical to understanding ES engagement in the FB context.

Applying socialisation theory to understand environmental values formation and transmission in FBs, this paper answers the following questions: 1) How does the NxG form its environmental values?; (2) How are the environmental values of the founder transmitted across generations?; and, (3) How family firms can continue an environmental values legacy?

Socialisation is "the process by which people selectively acquire the values and attitudes, the interests and knowledge in the groups of which they are, or seek to become, a member. It refers to the learning of social roles" (Merton, 1957, p. 287). However, although the FB literature discusses socialisation related to succession and continuity (Garcia-Alvarez, López-Sintas, &

Saldaña Gonzalvo, 2002), critical gaps remain in our understanding of the socialisation of environmental values in the unique context of FBs.

We used a two-step qualitative design to explore our research questions. First, we conducted a qualitative content analysis (QulCA) of the company websites of 72 small and medium FBs operating in the New Zealand wine industry to analyse the socialisation context of the founding and the NxG family members. Then, using four small and medium family firms operating in the New Zealand wine industry we used a qualitative case study method to answer our research questions. Nine propositions relating to socialisation, resocialisation, the dyadic transmission of values, and the intergenerational difference in environmental values were developed from that analysis.

By focusing on the legacy of environmental values as an artefact of the legacy that the family and founder intend to pass down to the NxG family members, this paper responds not only to the *FBR*'s call for more FB research related to the narratives on family history, values, and legacy ("Call for Papers for the 2023 Family Business Review (FBR) Special Issue on History-informed Family Business Research," 2020), but also contributes to the conversation on intergenerational communication by empirically supporting Leiß and Zehrer (2018) observation that the increase in communicative and reflexive competence is one of the key factors that helps the family to deal with conflicts during the intergenerational transmission and interdependent development of the family firm heritage. This study accentuated several methods families used to transmit their environmental values to the NxG, including providing opportunities for early childhood exposure to outdoor activities, interaction between the family business-natural environment, role modelling, and formal and informal family meetings and gatherings. Finally, the current paper contributes to socialisation theory by extending Bika et al.'s (2019) discussion on multilayer socialisation theory and so helps to broaden our knowledge of NxG environmental values socialisation.

The next section details the theoretical foundation for the research. The research context, methods, and findings are then discussed, and the final section presents the paper's contributions and its potential implications for future research.



## **4.2 Theory discussion**

### **4.2.1 Family businesses, legacy continuity, and values**

FBs provide a compelling context in which to study the formation and intergenerational transmission of environmental values. Previous research has emphasized that the continuity of a sustainable family business depends on the continuity of family culture, ethics, and values (Fletcher, Melin, & Gimeno, 2012; Jaffe & Lane, 2004; Kammerlander, Dessì, Bird, Floris, & Murru, 2015). The extant research implies two critical aspects regarding continuity of a sustainable FB: first, ethics and values are at the centre of family culture (Adams et al., 1996; Craig & Dibrell, 2006); second, the importance of the NxG in the continuity of the family culture, values, and legacy. Adams, Taschian, and Shore (1996) explained that founding owners generally hope to integrate the family and business values and pass down these values and legacy to the NxG family members. Supporting this idea, Schwass (2005) points out that multigeneration FBs are unique due the founder's vision being embedded in the locality and family context, which becomes the guiding principle for new generations in their business decisions and conduct.

Family firms transcend time and generations. Aronoff and Ward (1995) stated family-owned businesses are “a thing of the past or a model for the future” (p. 121) and explained that successive generations build on business accomplishment of their parents. Giving and receiving legacies includes cognitive, emotional, and social elements. According to Kane (1996), legacies induce fundamental emotions—both positive (hope, longing, sense of accomplishment, love, pride, joy, gratitude) and negative (fear, dread, a sense of failure, rage). For Kane (1996), legacies reflect “with a varying consciousness, on the people, work ideas, commitments, and social institutions that have given their lives shape and meaning” (p. 5). ‘Giving and receiving legacy’ has evolved into ‘pursuing a legacy,’ which relates to how an individual or a family or a group of people create, transmit, and ensure the continuity of an intended legacy, which can be social, emotional, and cognitive or can overlap those elements. Nathan L. Hammond, Allison W. Pearson, and Daniel T. Holt (2016) explained that the legacy of FBs strengthens and extends our understanding of how specific nonfinancial concerns may influence the family firm's strategic decisions. It should be highlighted that this thesis focuses on examining an environmental values legacy, not a family or entrepreneurial legacy.

It should be noted that pursuing a legacy is not the goal of all FBs. For example, Aronoff and Ward (1995) show that some parents tend to push their children away from business, education, and professional careers after experiencing stress related to money and finance. In summary, 'pursuing a legacy' can differ across family firms. Further, family firms can decide which element of the legacy (values, traditions, accomplishments) to pursue with the NxG's involvement.

Values are fundamental to human nature. They affect our choices and therefore influence individual thoughts and actions and reflect a person's social and cultural upbringing. This paper defines values as an enduring belief in specific goals which acts as guidelines for the holder's decision-making (Feather, 1994; Halisa, Ozsabuncuoglu, & Ozsagirb, 2007; Rokeach, 1973; Schwartz, 2003, 2012). As an indicator of an individual's thoughts and actions values are a fundamental aspect of a person's integration with society and a means of understanding his/her behaviour (Hofstede and Bond (1984); Hemingway (2005). Values therefore determine the environmental behaviour of individuals and the behaviour of entities run by those individuals.

Personal values are a key determinant of the interaction between business organisations and the natural environment. Values held by an individual are subject to the values systems of family, community, culture, and organisation, resulting in heterogeneities among human (business organisation)-nature interaction (Shrivastava (1995, 1996); Shrivastava and Berger (2010). Research has focused on understanding and categorizing values to understand which values derive more environmentally friendly behaviour relative to other value categories (Bruin and Dupuis (2003); Hemingway (2005); Papagiannakis and Lioukas (2012). The following section discusses two important concepts: values priorities and values orientation.

#### **4.2.2 Socialisation, intergenerational values transmission, and resocialisation**

The unique context within which a person socializes is critical to understanding how people prioritize their values. For example, Schwartz (2003) claims value priorities emerge as people adapt to a unique social environment. For FB founders, the family and the local context will be the environment to which they adapt their value priorities. Schwartz further explained each person has a unique set of values derived from their experiences, such as the relationship with their parents. These experiences affect their value priorities. Influenced by various conditions

in their environment, individuals each develop different values (Martin & Czellar, 2017). For example, founding owners who prioritize environmental preservation over self-interest may have had a different experience with the natural environment than those who prioritize profit objectives over ES activities.

Researchers often use socialisation theory to explain how people form their values and how parents transmit their values and behaviour to their children. Jennings and Niemi (1968) applied socialisation theory to discuss how parents transmit religious values and found that adolescence is very important. Kuczynski, Marshall, and Schell (1997) discussed the socialisation of values as bidirectional. Psychology, moral education, and family psychology literature (Barni, Ranieri, Scabini, & Rosnati, 2011) often discusses how adult children form their value systems and how parents may transmit values and influence their children's moral development. The FB literature has discussed socialisation in relation to succession and continuity (Garcia-Alvarez et al., 2002) and found that parents or the founding owners play a critical role in transmitting social and environmentally desirable behaviour to their children or the NxG. Bengtson (1975) defined the "generations" as lineage members: grandparents, parents, and young adult grandchildren. Thus, parents and their children can share similar values.

Parents play a number of important roles as regards the environmental values socialisation of young children. In addition to being the primary agents for transmitting environmentally desirable behaviour to their direct descendants, parents, according to Barni et al. (2013), Katz-Gerro et al. (2019), Whitbeck and Gecas (1988), are responsible not only for the mental and physical conditions in which later generations develop their values and behaviour, but should also bear the most responsibility for bringing their children up as good citizens (Bekkers, 2007).

Thus, the intergenerational transmission of values is among the most important parental responsibility (Katz-Gerro, Greenspan, Handy, & Vered, 2019; Whitbeck & Gecas, 1988). Van Ijzendoorn's (1992) definition of intergenerational transmission as the process by which the behaviours of an earlier generation are associated with behaviours of the NxG is based on the argument that "individual attitudes, concerns and behaviour are directly and indirectly transmitted between the parents and the children by observation and imitation within the family" (Katz-Gerro et al., 2019, p. 2). As a result, early socialisation literature emphasized children as 'blank slates' and parents as active agents (Barni, Rosnati, & Ranieri, 2013).

However, other researchers have emphasized that, while the family is an essential factor, it is intertwined with social, political, economic, and cultural factors that influence the feasibility and meaning of environmental actions in both parents and the NxG (Katz-Gerro et al., 2019). Therefore, intergenerational transmission of values is not unidimensional (Katz-Gerro et al., 2019; Whitbeck & Gecas, 1988) but involves a dyadic relationship.

Apart from parents, children meet many other agents of socialisation at different stages of their lives, and these too can exert a particular influence over the values formed during primary socialisation. The literature recognizes these agents as secondary agents of socialisation.

Supporting the idea of secondary agents of socialisation, Bika, Rosa, and Karakas (2019) developed the idea of multilayered socialisation to explain transgenerational entrepreneurship in FBs, introducing interactive and experiential socialisation as layers of socialisation. Interactive socialisation involves secondary socialisation where through their interaction with external agents such as schools and peers a child starts forming new values. Conversely, experiential socialisation involves a self-learning process the young family members undergo through social and economic structural changes (Bika et al., 2019). Resocialisation of values is an outcome of secondary socialisation and experiential learning whereby children adopt a new set of values or change their value priorities.

Environmental psychology researchers note that exposing children to other socialisation agents (resocialisation of values) can sometimes result in values developed at the early stages becoming less prominent as new values develop in adolescence. Similarly, researchers have recently suggested that values transmission is a dyad-centred approach (Barni et al., 2013). Together these studies indicate that future researchers could shift their focus from understanding value similarities to a much broader concept of values continuity. As Barni et al. (2013) argue, tying together the values of parents and children, incorporating them into inherently worthy, coherent systems, and linking the generations together may be the most significant successful transmission outcome (Barni et al., 2013, p. 112).

Although our review of the ES, family business, environmental values, and socialisation literature identified that most of the research on socialisation and values transmission had been developed in environmental psychology, sociology, applied psychology, and family systems, the FB field has not utilized this approach. The literature on environmental values transmission and socialisation has grown in the disciplinary areas of moral education (Barni et al., 2011),

intergenerational relations (Barni et al., 2013), sociology (Headey, Muffels, & Wagner, 2014; Hitlin, 2006; Kim, Park, Kwon, & Koo, 2005), family values and value creation (Bjornberg, 2008), marriage and family (Boehnke, Andreas, & Dirk, 2007; Bradley, Whiteside-Mansell, Brisby, & Caldwell, 1997), and environmental psychology (Coelho, Pereira, Cruz, Simões, & Barata, 2017; Collado, Evans, & Sorrel, 2017). As Bika et al. (2019) claimed that the intersection of FBs and ES seems stagnant and has stopped incorporating knowledge from these disciplinary developments, this paper aims to apply the theory of socialisation to a discussion of environmental values formation, transmission, and legacy continuity in the context of FBs operating in New Zealand's wine industry.

The following section discusses the study's context and data collection method.

### **4.3 Context of the study**

The research context is New Zealand family-owned wineries. New Zealand's wine industry is uniquely suited as our field of study for the following reasons. First, most of the industry is owned and operated by small to medium-sized FBs (Bresciani et al., 2016; Brundin & Wigren-Kristoferson, 2013). Secondly, these firms enjoy a similar institutional environment, allowing a closer focus on how family involvement in the business differentiates their ES engagement through, for example, the founder's name, family history, and the intergenerational land where the FB operates all contribute to the wine brand (Strickland et al., 2013). The grape growing, winemaking, and many other aspects of wine-producing processes are built around the family's culture and traditions. Thirdly, ES is critical for the wine industry because it is highly vulnerable to climate change ([www.nzwine.com](http://www.nzwine.com)), with changes in wind, rain and humidity affecting the quality of the grapes and harvest. Finally, New Zealand Wine ([www.nzwine.com](http://www.nzwine.com)) operates an industry-wide certification program—Sustainable Winegrowing New Zealand (SWNZ)—which is widely recognised as a world-leading sustainability program. Established in 1997, it was one of the first in the international wine industry ([www.nzwine.com](http://www.nzwine.com)). The program covers six sustainability focus areas: water, waste; pest and disease, soil, climate change, and people. By 2020, 98% of New Zealand's wine-producing areas were SWNZ certified, with 7% operating under recognized certified organic programs; thus, our study sample is positively predisposed to ES engagement.

## **4.4 Methods**

### **4.4.1 Phase 1: Qualitative content analysis**

We conducted a qualitative content analysis (QulCA). Although quantitative content analysis has been widely applied in many disciplines, including medicine, psychology and management, QulCA is a more recent development (Zhang & Wildemuth, 2009). Hsieh and Shannon (2005) defined QulCA as “a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns” (p. 1278). QulCA’s goal is “to identify important themes or categories within a body of content and to provide a detailed description of the social reality created by those themes/categories as they are lived out in a particular setting” (Zhang & Wildemuth, 2009).

#### **4.4.1.1 Data source**

As of 2020, the New Zealand Wine Directory had 504 member companies. Our qualitative content analysis included only those businesses which: 1) declared themselves as family-owned and operated; 2) included a section about family background and involvement in the business: and, 3) had a clearly stated set of actions related to ES. We gathered our data from each company’s official website, because company websites have become an increasingly important means to communicate information and reputation to the public (Blazquez et al., 2019; Da Silva & Alwi, 2008; Micelotta & Raynard, 2011). Data saturation was used to decide when to stop using more units for analysis (Ness, 2015). After coding and analysing the company websites of 72 family firms that met our selection criteria, we reached theoretical saturation. The purpose of this research is theory development.

#### **4.4.1.2 Overview of the sample**

Table 1 provides an overview of the sample. All the companies shown were founded between 1906 and 2017. While fewer than 10% of FBs survive past the third generation (Micelotta & Raynard, 2011), 16 of our sample companies are third and fourth generation enterprises. The majority are first- and second-generation FBs; 64% are SWNZ accredited, while 32% are either fully or partially BioGro New Zealand or NZG organic certified. Approximately 2% have both sustainable and organic certifications. Only one company included the sustainable initiative CarbonClick on its website. CarbonClick is an independent organisation providing individual

businesses with bespoke carbon offsetting programs (carbonclick.com). Nearly 60% of organic wineries considered themselves small, boutique family firms. These began their business as an organic business, while the remaining organic wineries converted to organic at some time after their initial establishment.

Table 1. Sample characteristics of family firms operating in the New Zealand wine industry

<b>Year of starting the business</b>	<b>1896-1945</b>	<b>1946-1978</b>	<b>1979-1999</b>	<b>2000-2020</b>	<b>Total number of family firms in the sample</b>
Number of family firms	4	3	29	36	72
<b>Generations of family members involved</b>					
First-generation (founders and owners) are the only family members actively involved in the business.	0	0	11	27	38
Second-generation ownership, governance, management/or two generations working together in the business	0	2	12	9	23
Third-generation ownership, governance, management/or three generations working together in the business	2	0	4	0	6
Fourth-generation ownership, governance, management	1	1	2	0	4
Fifth generation and beyond	1	0	0	0	1
<b>Environmental Sustainability</b>					
Sustainable Winegrowing New Zealand (SWNZ) certified	1	2	20	20	43
Organic certified (BioGro New Zealand/Winegrowers New Zealand)/Biodynamic	1	1	6	17	25
SWNZ and organic certified	1	0	2	0	3
SWNZ and CarbonClick certified	1	0	0	0	1

*Source: Company websites (first accessed January, 2019)*

#### 4.4.1.3 Data analysis

Following Pratt et al.'s (2006) iterative method, we applied a three-step content analysis. Step one involved creating provisional categories and first-order codes. Here, we identified statements and parts of documents on the company websites that disclosed family involvement

in the business and ES. Those parts were uploaded into NVivo. The prevailing ideas formed provisional categories and first-order codes, with NVivo providing a record of the provisional categories generated from each company's website (Miles & Huberman, 1994). After labelling the codes and constructing categories, we reviewed the data again to see which, if any, fitted each category (Fairclough & Micelotta, 2013; Pratt et al., 2006). In the second step, we integrated first-order codes, created theoretical categories, and summarized the data collected from all 72 firms into different sets of themes (e.g., family ownership and control, family goals, long-term orientation). According to Pratt et al. (2006), this stage of the analysis allows researchers to understand variations amongst the sample's units. As categories were consolidated, they became more theoretical and more abstract, i.e., moved from more open to axial coding. Step three involved delimiting the theory by aggregating theoretical dimensions. Once generated, the categories' underlying dimensions were explored to understand how different categories fitted into a coherent picture. Using brainstorming and extant literature connected to the base theory of family logics, we related categories to broader theoretical dimensions (see Figure 1).



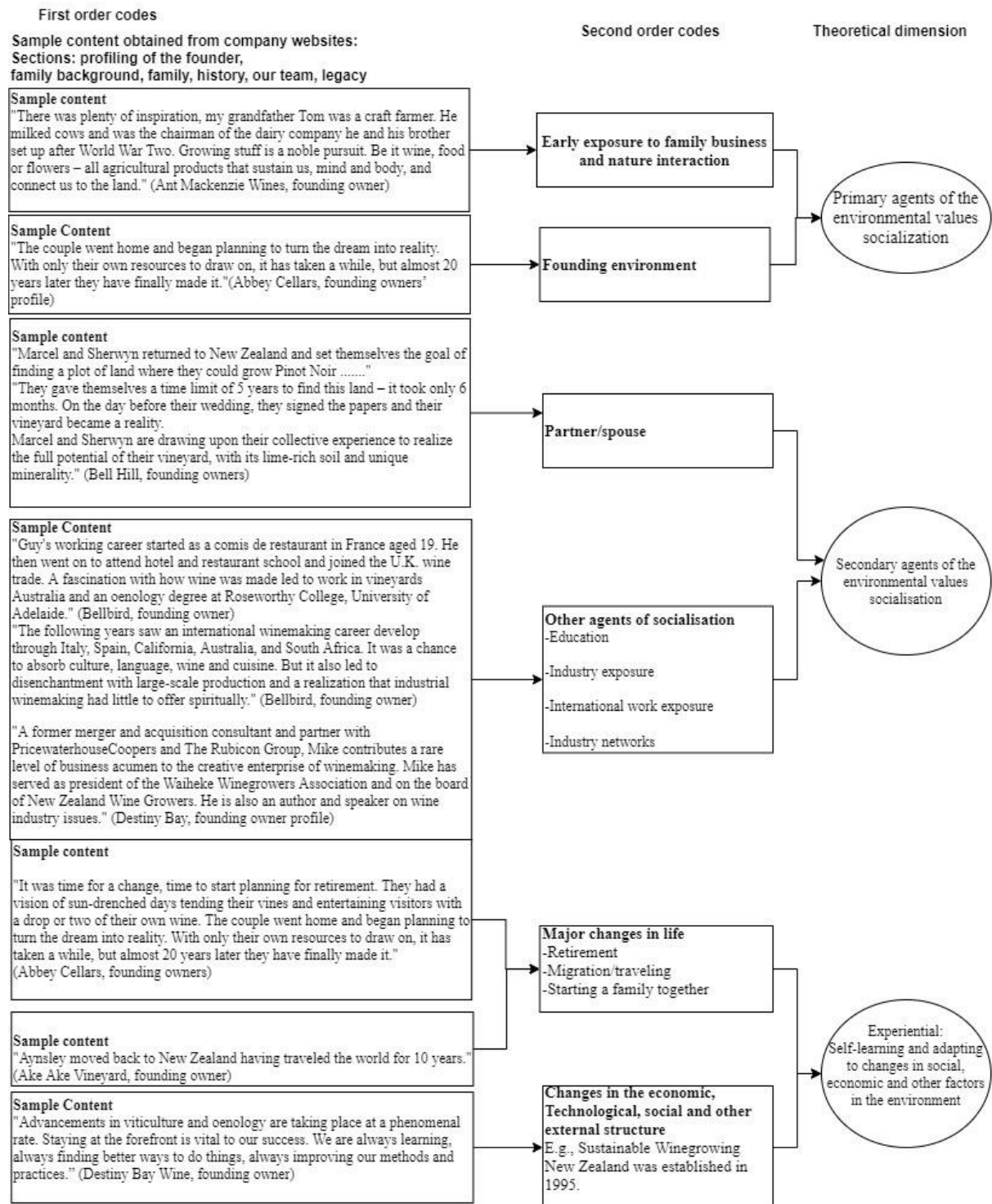


Figure 1. Data structure for qualitative content analysis (socialisation context of the founding generation)

#### 4.4.2 Phase 2: Multiple case studies

Case study has been used to investigate a wide range of issues in FBs, including family governance (De Massis, Kotlar, Frattini, Chrisman, & Nordqvist, 2016; Gubitta & Gianecchini,

2002), succession in FBs (Howorth & Assaraf Ali, 2001), technological innovation (McKibbin & Pistrui, 1997), and intergenerational knowledge sharing (Woodfield & Husted, 2017). According to De Massis and Kotlar (2014), case studies are a powerful method that is well-suited to exploring the heterogeneous and dynamic nature of FBs.

Using multiple sources and multiple stakeholders enables researchers to gather a wide range of data on a particular topic from many different perspectives. Such sources include corporate websites, interviews, surveys, formal and informal discussions, and observations. The primary and secondary data from those different sources enables the researcher to conduct a thorough investigation of a specific matter while addressing a broad range of issues. Finally, as the theoretical propositions that can be developed using data collected and analysed through case studies is important (Yin (2012) Bika et al. (2019), we deemed case studies an appropriate method for observing the dynamic nature of FBs.

Four case studies were selected for the current study based on convenience sampling. These cases were heterogeneous considering: the levels of environmental engagement; transgenerational intention; the involvement of the NxG in the ES decisions; and, actions of the FBs. The case studies met the following criteria for selection: (1) family-owned (the majority of shares owned by the family) and operated; (2) information on each firm's corporate website on environmentally sustainable activities, profiles, and background on both the founding generation (parents) and the NxG; 3) the ability to obtain at least one interview from each family firm. As the data collection was conducted during the Covid-19 pandemic, and most FBs were working hard to survive, the interview response rate was relatively low. However, multiple data sources were used.

Each interview lasted approximately 40 minutes. To preserve their anonymity, each case company is identified by a fictitious abbreviation: CH winery; FHD winery; FO winery; and, SC winery. These small and medium FBs were run mainly by husband-and-wife teams. We interviewed eight participants in total; five came from the founding generation or were the current owners of the family firm, and three are NxG family members. One NxG is a general manager of the FB, and two NxGs were not involved with the family business activities. Table 2 provides a detailed breakdown of the interviews and cases.

Table 2. Characteristics of the case studies

Cases	CH Winery	FHD Winery	FO Winery	SC Winery
Family ownership	76% family-owned, complete control over business activities	100% family-owned and operated	100% family-owned and operated	100% family-owned and operated
Family members actively involved in the operation and management	4	2	4	2
Statements regarding family ownership	It is essentially a family business.	The business is 100% family-owned and operated.	Yes, FO 100 % family-owned and operated businesses	It is 100% family-owned and operated
Transgenerational intention	The founder is intending to transfer the business ownership and control and is in the process of succession. Children are already playing critical roles in the business.	The founder intends to transfer business ownership and control, but the children have not decided to take over. Children studied disciplines such as engineering and fashion design which are not related to the family business.	The founder intends to transfer the business and is in the process of succession. Children are already playing critical roles in the business (CEO, GM).	No transgenerational intention. The wife and husband team (family owners) has dependent school children
Number of generations working together in the business	Second generation	First generation	Second generation	First-generation
Environmental sustainability	Organic and Biodynamic	SWNZ certified	SWNZ	Organic
Number of interviews conducted	1	3	1	3
Interview duration	40 minutes	70 minutes	40 minutes	120 minutes

Why is each case unique?	The founder plays more of a consultant role. He and his wife (GM) are transferring most of their responsibility to two sons. The founder has higher education in the areas of organic and biodynamic productions. The founder was a part of the early environmental movement.	The founding owner runs the business alone, and the wife has shares in the business. The founder's main principle is minimalism, Founder discussed the economic, and resources constraints during the period of establishing the family business (imprinting of the founding period)	Both founders play the role of consultants. The elder son is the CEO, the daughter is the winemaker and the General Manager, and the second son is not involved in the business operation; he is working in a different industry. Has long term succession planning in place. GM is the environmental stewards with experience working all around the world.	The wife and husband team (family owners) has dependent school children. A young family with the two main motives of targeting the organic market and safety and health of the family members. They have decided to go for organic even before taking over SC. They established organic food habits and consumption even before starting the business.
Other sources of information and type of information collected	Corporate website: detailed profiling of the next generation, sustainability activities, organic and biodynamic production of the business, family involvement, awards, certifications and other business activities	Corporate website: family involvement in the business, early working experience of children, awards and other business activities	Corporate website: Profiling of the founding owners, other family members, sustainability activities of the business, family involvement and other business activities, certifications and awards.	Corporate website: detailed profiles of founding owners, other family members, organic production, certifications and awards and other business details.

Adapting Eisenhardt (1989), we applied eight steps to build a theory around environmental values transmission (Appendices Chapter Four/ Manuscript 3: Appendix 1.). For case study summaries, see Appendices Chapter Four/ Manuscript 3: Appendix 2.

The findings from the QulCA of 72 companies operating in the New Zealand wine industry and those from the four case studies are presented next.

## **4.5 Findings**

### **4.5.1 Qualitative content analysis**

The key purpose of this analysis was to understand the socialisation context of the founders and the NxG family members and intergenerational differences in the socialisation context along with the way families associate their social, economic, and emotional needs with the natural environment.

#### **4.5.1.1 Environmental values**

Figure 2 shows the environmental values of the founder/owner and the family firms as stated on the sampled companies' websites. Drawing on that data, three common theoretical categories of environmental values related to economic, social, and emotional needs were derived.

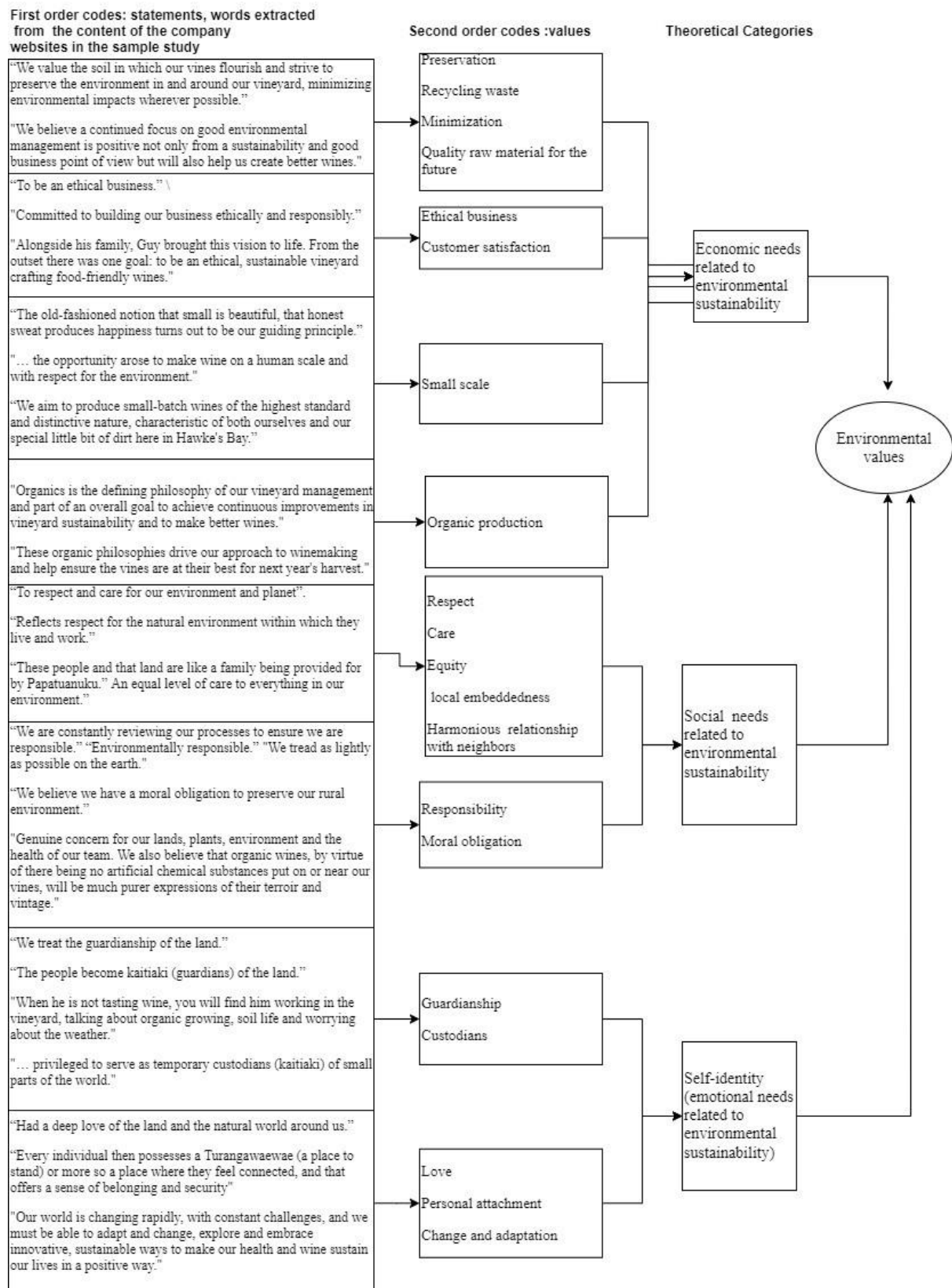


Figure 2. Environmental values-content analysis of corporate websites

Interestingly, nearly 65 companies in the QulCA associated their ecological values with the family and founding owners/NxG and the perceived economic benefits of those values: customer satisfaction, quality and the taste of the wine, business sustainability, quality of the soil and terroir (environmental factors that affect the growth of grapes), corporate image, and market expansion.

We have been farming organically and biodynamically since the 2007/2008 growing season and see this as paramount to increased soil and vine health as well as fruit quality and expression. (Bel Hill)

Figure 2 provides further examples.

In summary, we found that some families highlighted the association between their environmental values and economic benefits.

Second, the analysis shows an association between the family's founding owners' and the NxG's environmental concerns and either their social needs or noneconomic goals that the family and the family members plan to fulfil through the ES activities. These include: health and safety of the family members and employees, preserving natural resources for the future generation, ensuring the sustainability of the family business, and fulfilling responsibility for the local community and the neighbourhood. For instance:

We believe we have a moral obligation to preserve our rural environment. We have adopted organic methods as part of our overall goal of achieving continuous improvements in the sustainability of our vineyard operations. (Aurum Winery)

Our family live in the vineyard (Ake Ake Vineyard).

See Figure 2 for additional examples.

The finding is unsurprising as nearly 52% of the companies in the QulCA located their homes in the vineyard, including 16 fully organic and biodynamic vineyards. In summary, we found that some families highlighted the association between their environmental values and social needs or noneconomic goals.

Third, the analysis shows an association between the founding owners' environmental values (and also those of the NxG) and their emotional attachment to the natural environment. The keywords love, care, respect for nature, and guardianship of the land were all identified. The relationship between family members' self-identity and their environmental values is also expressed in terms of being the protector or guardians of the natural environment. The

following statement shows the connection that Ant Mackenzie Wines' founding owner developed with the land and which led to taking a sustainable path.

As a kid, I dreamed of being a farmer. Not just any farmer, a craft farmer. I wanted to grow things and make and market a product from the land. Be it wine, food or flowers - all agricultural products that sustain us, mind and body, and connect us to the land.  
(Ant Mackenzie Wines)

The following example extracted from a story told by Tiki Wines' founding owners illustrates their emotional attachment to place and how that attachment led to their taking a sustainable path.

We see ourselves as the guardians of this precious land; it is our job to keep our footprint small.... and we certainly have never forgotten how lucky we are to do what we do in such a beautiful place. That sense of adventure and feeling of freedom that we get from living in New Zealand has never left us and is at the very heart of Tiki and the bespoke wines that we produce.

As a company, we strive to ensure all of our actions have the long-term interest of our land at heart. (Tiki Wine)

In their narration, the family constantly stressed their embeddedness in the geographical area, the emotional attachment to the place where as children they had grown up, and their strong desire to provide a similarly clean and beautiful environment for their descendants. In summary, we found that some families highlighted the link between their environmental values and the emotional bond and self-identity they had developed within the natural environment.

#### **4.5.1.2 Environmental values formation**

QulCA of company websites was used to profile the founding owners (see Figure 1) and the NxG family members (see Figure 3). Figure 1 also shows the socialisation context of the founding generation. Analysis of the sources of environmental values of both the founding owners and the NxG family members revealed three theoretical dimensions. Although these are similar to the multilayered socialisation process presented by Bika et al. (2019), ours have some differences. These are later explained in the discussion section.

In respect to primary sources that shaped founding owners' environmental values, two elements emerged: early exposure to the interaction between family businesses and the natural environment; and the imprinting of social, economic, and family conditions during the FB's founding period. The first element relates to the founding owner's upbringing as a child. The following extract taken from the narrative of Hans Herzog, who founded a single-estate organic



vineyard with the support of his wife and family, highlights not only the upbringing of founding owners and their strong desire to operate as an organic business to protect the land and preserve its quality, but also their desire to continue their legacy as a multigenerational wine-making family.

Hans himself holds 500 years of winemaking lineage, ...Of course, you do not offload 500 years of winegrowing history to do something by halves, and absolutely everything that Hans does is of 'uber'-quality. His vineyard means everything to him, paring down the crop until there is very little left, but what is left has the goodness, warmth, light, and indeed magic each vine draws from the terroir—all to itself. He loves to spend his time amongst the vines and works the land, and tends the vines with immaculate detail, reflecting the traditional and holistic approach of his ancestors.

The second element is related to the critical time during which the founding owners invested their efforts, resources, and skills to form their FBs. Our participants' narratives revealed that this period has an imprinting effect on the economic, social, and emotional needs of the founding owners and is therefore a primary source behind their environmental values. For example,

I have enjoyed and embraced the experience of growing a global family wine business from a Friday night “gin imbued” dream to buying and planting bare land in some very questionable bony areas of New Zealand. Adversity and lack of infrastructure and capacity resulted in novel funding ideas to assist the building of processing facilities. (Forrest Winery)

The second category of sources of environmental values includes external or secondary agents. The following extract comes from the founding owner of Bellbird, a sustainable certified winery and shows how various agents can impact the environmental values of the founding generation.

Guy's working career started as a *comis de restaurant* in France aged 19. He then went on to attend hotel and restaurant school and joined the UK wine trade. A fascination with how wine was made led to work in vineyards in Australia, and an oenology degree at Roseworthy College, University of Adelaide. The following years saw an international winemaking career develop through Italy, Spain, California, Australia, and South Africa. It was a chance to absorb culture, language, wine, and cuisine. But it also led to disenchantment with large-scale production and a realisation that industrial winemaking had little to offer spiritually.

Figure 3 shows the socialisation context of the next generation.

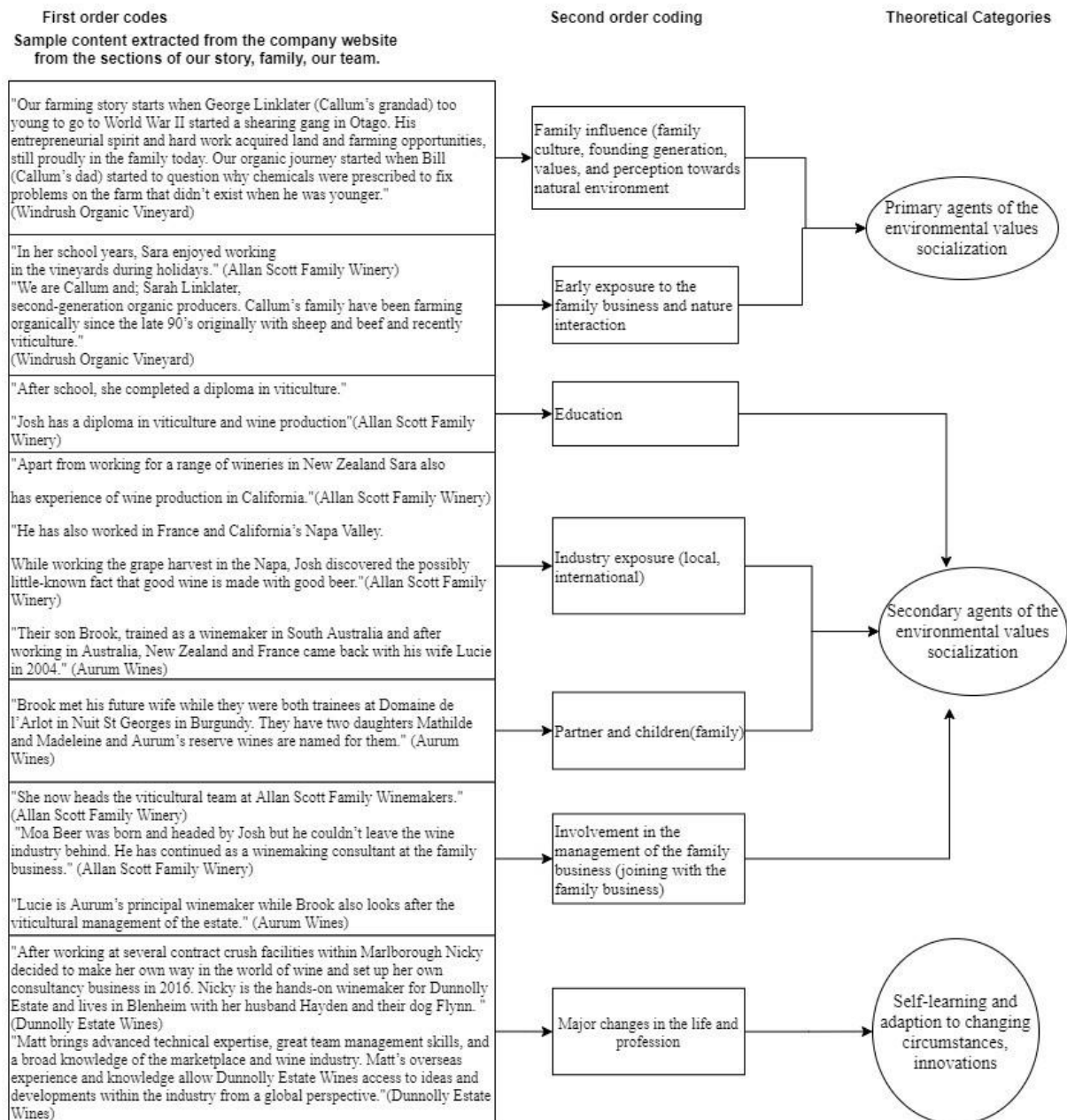


Figure 3. Next generation profile characteristics

The NxG profile shows that influence by founders (i.e., the environmental values of parents) and early childhood exposure to the FB and interaction with nature have a special impact on the NxG's environmental values. The following example comes from Windrush Organic Family Winery.

We are second generation, organic producers. Windrush is the name of the vineyard where we live. Growing certified organic grapes is what we do.

Callum's family have been farming organically since the late 90s – initially with sheep and beef in Otago.

Our organic journey started when Bill (Callum's dad) started to question why chemicals were prescribed to fix problems on the farm that did not exist when he was younger. His conscious mind resulted in a serious investment into certified organic sheep and beef production. When we moved to Marlborough in 2008, it was only natural for our family to start converting, establishing, and planting vineyards under organic certification.

We found that a spouse and or partner could be a secondary agent influencing the NxG's environmental values. We saw this particularly with young, husband-and-wife run, fully organic and biodynamic wineries. The effort and commitment to act organically results from the combined effort of both partners. The following example comes from Te Whare Ra winery.

Anna and Jason are two young (ish) winemakers – one from Australia and one from New Zealand, and they have owned and run Te Whare Ra since 2003. Together they have taken Te Whare Ra to new heights and won many awards for their wines and their efforts in organic farming. Jason grew up in Marlborough, and Anna is from McLaren Vale in South Australia. With both of them hailing from multigenerational wine backgrounds, it was as natural as breathing that they ended up with their own winery.

Our yields are kept very low and the vineyard is managed with a combination of organic and biodynamic practices. Our vineyard is hand-tended as much as humanly possible as we feel that a person can treat each vine individually and coax the best from it rather than a machine that does the exact same thing to each vine. It means more time and effort, but we think it is worth it for the resultant quality. 5182 is of huge significance to us as it is our vineyard designation number from BIOGRO New Zealand [organic certification]. This number represents all our hard work and effort over the past 11 years to achieve our organic certification. Our SV 5182 wines represent all the things that we feel are important – provenance, organic farming and authentic, world-class wines from Marlborough.

We used these profiles to understand the socialisation experience of the two generations, enabling a comparison between the socialisation contexts. Table 4 shows a number of differences in profile characteristics between the founding generations and the NxG family members (second, third, etc. generations).

Table 4. Intergenerational differences in the socialisation contexts

<b>Founding(parents) generation</b>	<b>Next generation (children, immediate successor)</b>
Emphasized difficulties faced during the initial period of the business, and ES of firms show imprints of the founding environment (minimising waste, reusing resources).	Emphasized experiences gained working in the family business and the influence of parents, siblings and grandparents' values and legacies
Emphasized the emigration. and impact of traveling in determining to be in the wine industry and to be environmentally sustainable	Emphasised different education qualifications related to winemaking, marketing, quality, and sustainability. Also emphasized travelling experienced while working internationally, before joining the family business
Emphasized founder's characteristics such as hardworking, love for the land, dreams, passion of winemaking	She emphasized personal characteristics such as innovation, family background, childhood memories, prior family business experience, and industry network.
Many founders adopted ES at a later stage of the business lifecycle; the founding generation mostly did things through trial and error.	Many new generation members have started their business activities as sustainable or green business, had a clear direction and focus regarding ES.
Clear evidence for how changes in the macro-environmental factors (mostly institutional, legislative) influenced their ES decisions and actions	Most environmental changes highlighted in the profiles were related mainly to technology, innovations, production methods, rather than more considerable legislative and institutional change.

The profile characteristics of the founding and NxG reveal two things. First, the profile characteristics of both the founding generation and the NxG are heterogeneous across family firms, Secondly, we found some similarities among the founding generation that differentiate their environmental values socialisation experience from that of the NxGs' socialisation experiences. For example, as Table 4 shows, while the founding generation carries the imprints of the founding period, in contrast, most of the NxG family members show achievement related to organisational changes and innovations related to ES—for example, adopting organic and biodynamic practices.

#### 4.5.2 Case studies

The QulCA results affected the interview procedure. To begin with, the four case studies chosen were also included in the 72 firms chosen for the QulCA of corporate websites. The case studies' interview questions were prepared using the qualitative CA. For instance, questions on environmental values, their origins, the founding generation's engagement, and local embeddedness were designed in response to the QulCA results. Additionally, greater

emphasis was placed on the case studies in order to comprehend the process of value transfer and the prospect of legacy continuity, which could not be comprehended just from an analysis of the content included on company websites. The coding categories obtained from the content analysis of corporate websites served as a basis for developing codes and coding categories for analysing case study data. Following that, their categories were compared. At the conclusion of the research, a conceptual model was built to provide an integrated knowledge of both the content analysis of corporate websites and multiple case studies. The following section presents the results of the four case studies. The research questions were formed around the environmental values formation, transmission, and legacy continuity.

#### **4.5.2.1 Environmental values**

As explained in the results section of the QulCA, three themes emerged from the analysis of interview questions related to the environmental values of the founding and the NxG family members. These categories were based on the analysis of the case studies regarding economic values, social values, and emotional values (see Figure 4).

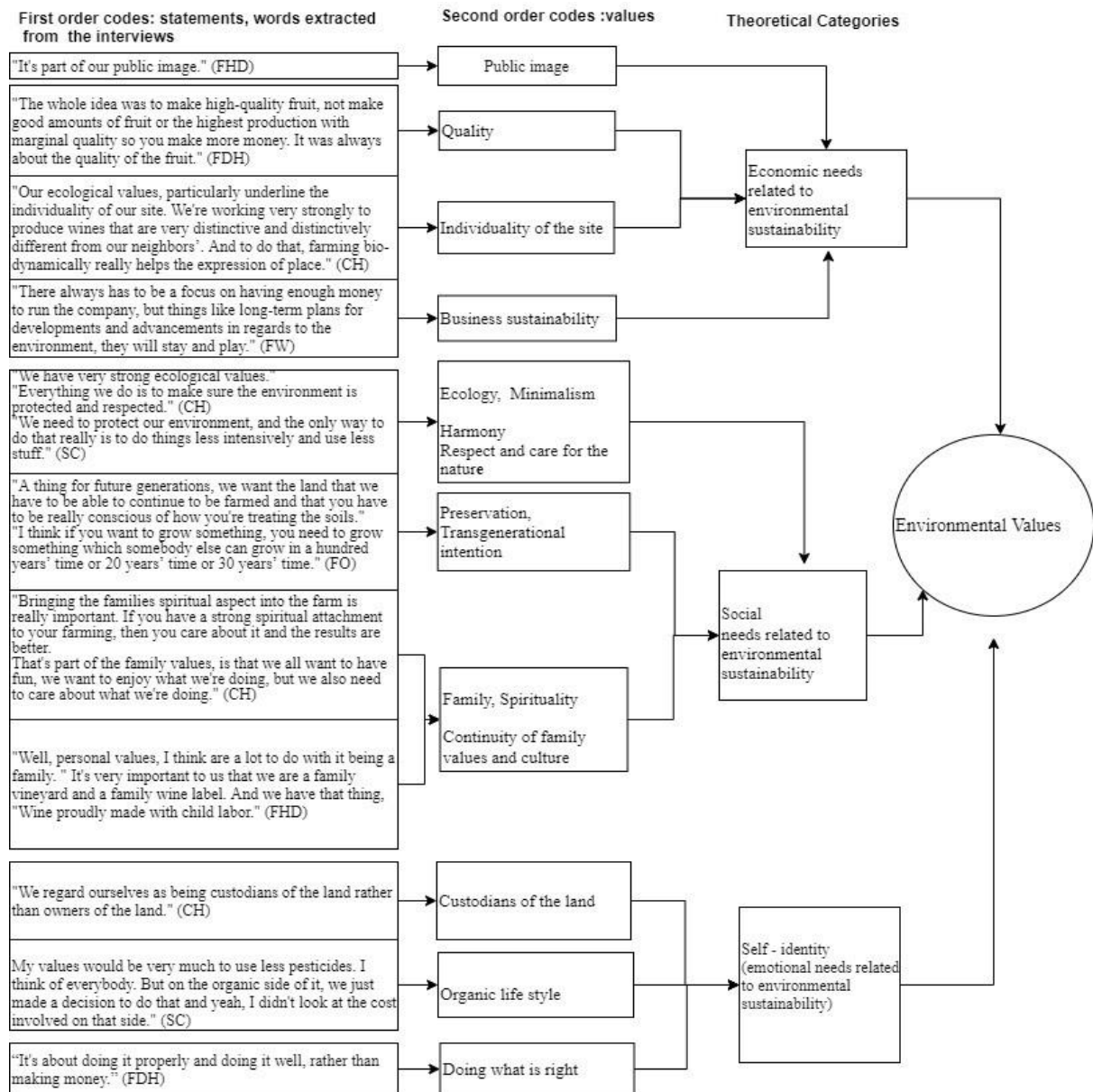


Figure 4. Conceptualisation of environmental values-case studies

Each of these categories is defined and explained. In the first category, the participants associated their environmental values with the economic benefits the family, founder, and family firm expected to receive from ES activities. Some of the interviewees' statements regarding their environmental concerns were directly associated with wine production, grape growing, wine marketing, customer satisfaction, and preserving resources for the future growth of the business. For example, the owner of CH winery stated:

And biodynamics particularly, this may be a stronger point for us, biodynamics and our ecological values, particularly underline the individuality of our site. What the French would call the terroir. So, we are working very strongly to produce very distinctive and distinctively different wines from our neighbours. And to do that, farming biodynamically helps the expression of place.

Although this example does not explicitly mention financial benefits, the individuality of the site relates to the uniqueness of the wine produced from the CH winery, which gives it distinctive competitive advantages in the market. Therefore, ES provides indirect economic benefits. However, some organic producers, for example SC winery's founding owner, clearly indicated that being organic does not provide added advantages in price, especially considering the New Zealand market.

I think in some markets you'd probably be able to sell more, but I don't think that really applies in New Zealand. People here aren't ... in my opinion, they're not really that interested in organic products as much as other countries. I think most New Zealanders think that because it's clean and green and everything is kind of organic, you know?

The analysis also shows an association between the environmental concerns of the founding owners and the NxG and their social values. For example, some of the interviewees' statements were directly associated with preserving the natural environment of the local community/neighbourhood as regards the health and safety of employees, customers and family members, and general welfare of animals and the planet. For example, SC winery's founding owners stated:

We wanted to eat food that did not have pesticides in it, that had been grown environmentally. And we also knew when we took over Stonecroft that we would be very involved in the management of the vineyard and that we would be living on one of the vineyards with our two children. And we did not want to be surrounded by pesticides and chemicals that are harmful to both the environment and also ourselves.

These statements implied that the founding and the NxG family members felt a social responsibility to develop a harmonious relationship with nature, their neighbourhood, and the community at large. Participants who were deeply locally or geographically rooted in the

locality showed a strong desire to preserve the quality of the natural environment they had experienced as children. FW commented:

Mainly wanting to be here for a very long time. I think Marlborough, especially for us, holds a really close place in our heart, being where our ancestors originated from as well. So, anything we can do to protect the environment we live in so that there are another 10 generations after us that continue to live in this part of the world and live comfortably and sustain themselves from the land, whether that be simply growing and eating things, or growing businesses that allow you to fund families and generations to come.

These findings reinforce the QulCA findings.

Finally, the analysis shows an association between the founding owners' and NxG's environmental concerns, their emotional bond with the natural environment, and their moral obligation to preserve the natural environment. Some of the participants' statements were directly associated with childhood memories of exposure to the natural environment. For example, the second-generation general manager of FO stated:

I think we were very much brought up as outdoor kids; being able to go up the mountains, trek and go hunting, being able to head out on the boat and go fishing, spend your time on the sea, farm the land. We spent a lot of our childhood with our grandmother, and she had a huge love of especially the Marlborough Sounds and the Marlborough region. And so, she took us everywhere, when we were younger, up walking tracks and beautiful mountains and around the Marlborough region, the joy of simply sitting and watching the clouds go by.

Participants who were emotionally involved with the natural environment showed a strong desire to provide their children with a similarly natural experience. For example, one second-generation FO family member stated:

I hope that, like myself, they get the chance to spend a lot of time in the outdoors and also just spend a lot of time seeing how your business works as you grow up. I think we take for granted when you are younger and get older and realize that by osmosis and all the time you spent here; you took a lot on. A lot of my viticultural knowledge is not from a degree at university; it is from hours and hours of your life spent out on a vineyard. That is practical knowledge. So yeah, I hope that my children get half the opportunity I had to spend as much time on the land.



#### **4.5.2.2 Sources of environmental values and socialisation**

This section examined the origins (agents) of socialisation of NxG environmental ideals. We asked the next generation family members the following questions: Where did such values originate from? How have you instilled your children with your values? How have your parents communicated their values to you, and have any external influences shaped your environmental values? As with the QulCA, we discovered that all interviewees cited family, early childhood exposure to natural environment, early childhood exposure to family, family business, and its relationship with natural environment as main sources of environmental values. Numerous factors were found, including regional and local embeddedness; early childhood exposure to nature; primary, secondary, and postsecondary education; travel; and industrial exposure. Apart from parental socialisation, participants emphasised the relevance of education, industrial exposure, travel, and self-experience as major agents of environmental values socialisation.

Figure 5 below categorizes those sources into three socialisation levels (Bika et al., 2019): primary, secondary-interactive, and experiential.

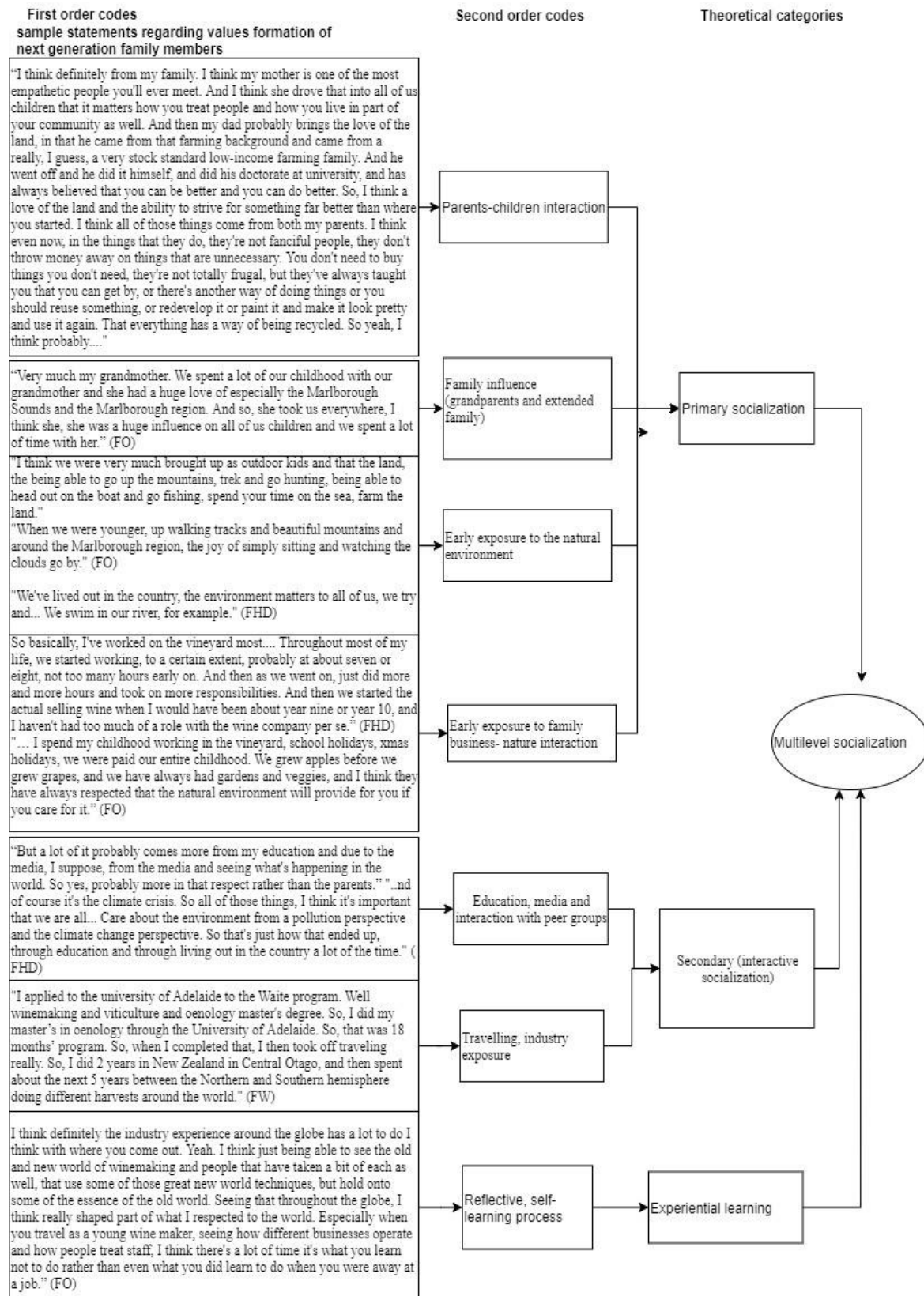


Figure 5. Environmental values socialisation

Both the founding and NxG recognized the importance of early childhood, parents, and families in developing their environmental values. The following extract is from one SC winery NxG family member: “I guess they always teach us that we have to recycle stuff and make sure we do not buy too much plastic and stuff like that. We have an electric car....” Other examples are included in Figure 5 above.

Interviewees’ secondary socialisation included mostly primary and secondary education, industry experience, and traveling. For example, a second-generation FW interviewee said:

I went to Otago Uni and did 3 years there and then after that was offered a PhD position at the Geography Department at Otago, but decided at that point that I wanted to get into winemaking. So, I applied to the University of Adelaide for the Waite program. Well, winemaking and viticulture and oenology master's degree. So, I did my master's in oenology through the University of Adelaide. So that was an 18 months' program. So, when I completed that, I then took off traveling, really. So, I did 2 years in New Zealand in Central Otago and then spent about the next 5 years between the Northern and Southern hemispheres doing different harvests worldwide.

Some NxG family members recognized that secondary education has a greater influence over their environmental values than parents and family. For example:

Some of them, yes. But a lot of it probably comes more from my education, and due to the media, I suppose, from the media and seeing what is happening in the world. So yes, probably more in that respect rather than the parents (second generation, FHD).

According to Bika et al. 2019, experiential learning takes place when "younger family members depend on self-directed learning to make sense of evolving social, economic, and commercial frames of reference." (p.234). Additionally, these writers assert that experience learning may result in the resocialization of values or a change in one's frame of reference. For instance, a person who has seen widespread chemical usage and its harmful influence on people and the natural environment may choose more organic and sustainable methods of producing products and services. There is minimal evidence from the case studies that we can attribute to experience learning. For example, the founding owners of SC stated that

...living in places that are more polluted—probably has given me a certain awareness of that, which I did not have when I lived in New Zealand as much. And then, Dermot, my husband, after we met, he was working in a job which used many chemicals, and so you would hear a lot more about the potential harm that using chemicals has on the environment, and also on people's personal health.

As the example showed, how experience can adjust a person's environmental values. Overall, we found little evidence for the experiential learning. Future researchers can address experiential learning as a separate study related to environmental values and resocialisation.

#### **4.5.2.3 Environmental values transmission**

The analysis focused on understanding various strategies parents used to transmit environmental values to their children. We found that families in our sample study used different strategies to transmit environmental values to subsequent generations (see Figure 6). These strategies involve informal and unconscious processes carried out by parents and grandparents to internalize environmental values such as love, care, respect, and responsibility within children.

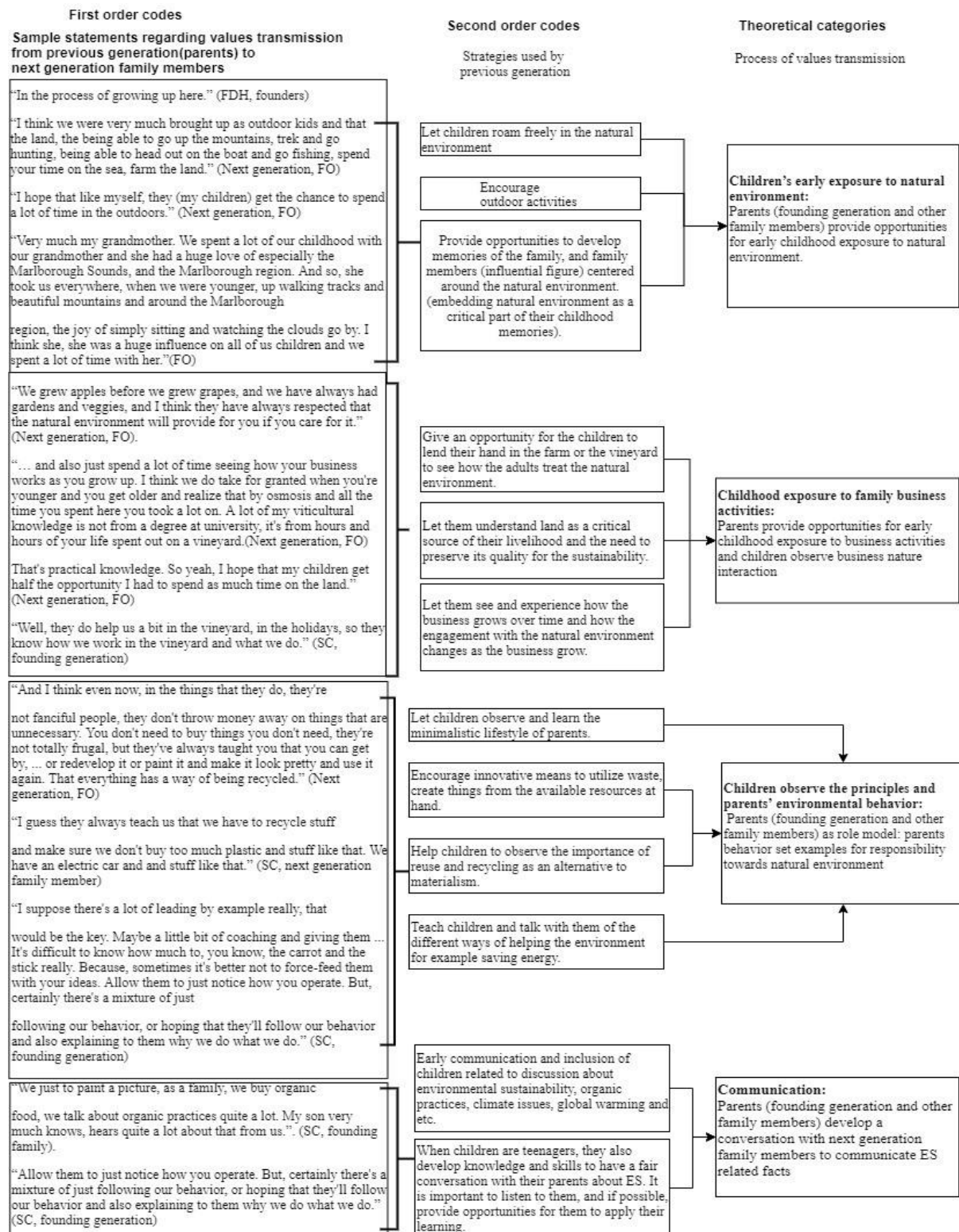


Figure 6. Environmental values transmission

A combination of different strategies to transmit environmental values to their children were found. First, parents provided opportunities for their children to have more outdoor experiences that exposed them to the natural environment. For example, the second generation of FHD said:

We lived out in the country and used to swim in our river, or when I am home ... in the summer, we will swim in our river and go hiking and things like that. So, the environment and the environment we lived in contributes to that, for sure.

Second, parents provided early childhood opportunities for children to observe FB activities (ES engagement). For example, the second generation of FHD stated,

So basically, I have worked on the vineyard... throughout most of my life, we started working, to a certain extent, probably at about seven or eight, not too many hours early on. And then, as we went on, just did more and more hours and took on more responsibilities.

Third, parents become role models for environmentally desirable behaviour. For example, the founding owners of the FHD winery stated that when their children were young, they were encouraged to have a minimalistic lifestyle and reuse material to produce necessary items that could be used in the vineyard. The parents used this strategy to transmit their economic values to their children. The NxG FW family member explained how their parents had become their role model regarding socially and environmentally responsible behaviour:

And then my dad probably brings the love of the land, in that he came from that farming background and came from a, I guess, a very stock standard low-income farming family. And he went off, and he did it himself, and did his doctorate at university, and has always believed that you can be better and you can do better. So, I think a love of the land and the ability to strive for something far better than where you started, I think all of those things come from both my parents.

Sometimes, children can influence parents' values toward the natural environment. For example, FHD owners described how their adult children influenced them to go down a more sustainable path:

They have coloured our opinions on the environment. They have modified our opinions for the better on the environment. We were already going that way, but they advised us with what they knew and wanted for the future of their generation, that this is what we should be doing. So yes, rather than us, that is their input into this place, to do as little damage, to do as little modification as possible to the environment, while still being able to carry out a grape growing and winemaking business on the property.

The results show that informal communication is an essential strategy for transmitting values to the NxG. For example, CH winery's founding owners confirmed that they continuously

educated their children about organic and sustainable ways of producing wine using informal gatherings, for example, family meals and leisure times. The evidence further suggests that observations, informal discussions, parents' lifestyle, hands-on experience gained through working in the family businesses, and involvement in ES activities are the most effective means of intergenerational values transmission. This aspect is further explained in the discussion section.

#### **4.5.2.4 Continuity of an environmental legacy (environmental values) in the family business**

The final research question focused on understanding the possibility of continuing an environmental legacy in the family business. We narrowed down the scope of the legacies by selecting the environmental values of the founding owners as the element of the environmental legacy that the family intends to pursue. Therefore, the objective was first to understand if the NxG has environmental values similar to those of the founding generation and second, to understand the desire of the NxG to continue the environmental values of the founding generation. With these purposes in mind, we first asked the founding owners: "Do you think your children share your environmental values or are they different?" "If the values are different, why?"; and "What kind of legacy do you want to give to your children?" We asked the NxG family members: "Do you share environmental values similar to your parents'?" "If the values are different, why?"; and "Do you want to continue (change, or discontinue) the ES activities initiated by your parents?" Figure 7 provides the results of our analysis.

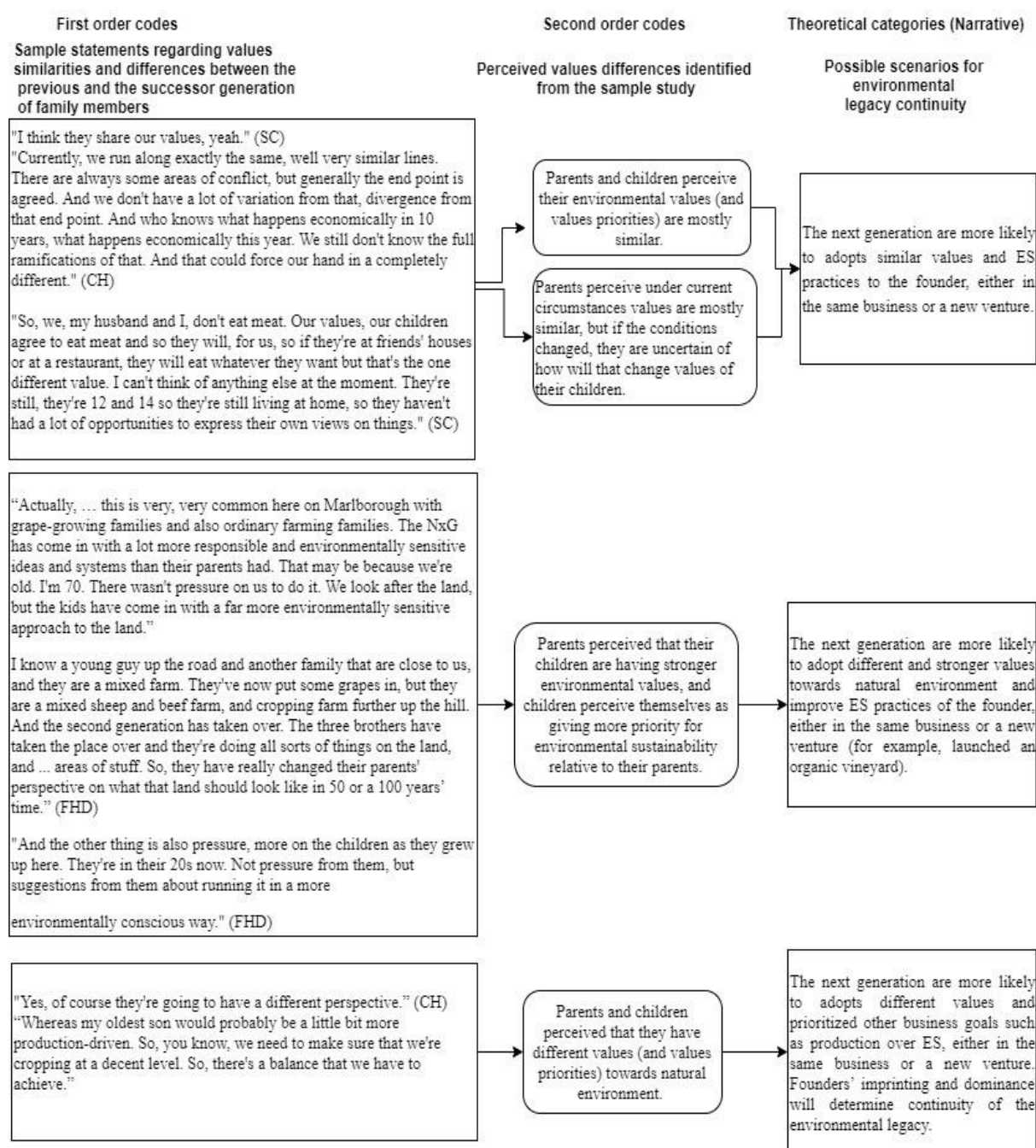


Figure 7. Legacy continuity



The analysis identified mixed results. Founding owners of SC winery, who have teenage children, stated that currently their children exhibit environmental values similar to their values, but these values may change in the future. Founding parents of FHD indicated that their children (young adults) have much stronger environmental values than themselves. In contrast, CH winery's founding owner stated that their children focused more on economic objectives such as business growth and profits than environmental concerns; therefore, the founder explained that they have stronger environmental values than their children.

Analysis also identified that environmental legacy continuity depends strongly on the NxG's desire to continue the values of the founding generation. As evidenced in the case studies, strong communication and negotiation between the founding and the next generations is critical to continuing an FB's environmental legacy. For example, CH's founding owners explained that they conduct a regular formal family meeting to discuss matters regarding ES, while FHD winery explained that the founding owners mainly decide matters regarding ES during informal discussions where their children provide some advice and opinions regarding the founding owners' environmental decisions.

## **4.6 Discussion**

As discussed earlier, ES researchers identified the personal values of owners, managers, and founding owners as a key driver behind business organisations' voluntary environmental engagement (Hemingway, 2005; Hemingway & MacLagan, 2004; R. S. Marshall, M. Cordano, & M. Silverman, 2005). Prior studies have also shown FBs to be a compelling social context in which to study the influence of values (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010; Cruz, Larraza-Kintana, Garcés-Galdeano, & Berrone, 2014; Sharma & Sharma, 2011). However, as previously noted, research on understanding business leaders' values as a key driver of ES has not sufficiently considered the NxG as a critical means of continuing environmental values in FBs. We therefore focused on three areas: values formation; values transmission; and, environmental legacy continuation. We used the combined data from the qualitative content analysis and the case studies to understand deductively how the NxG form their environmental values and the following conceptual model was developed.

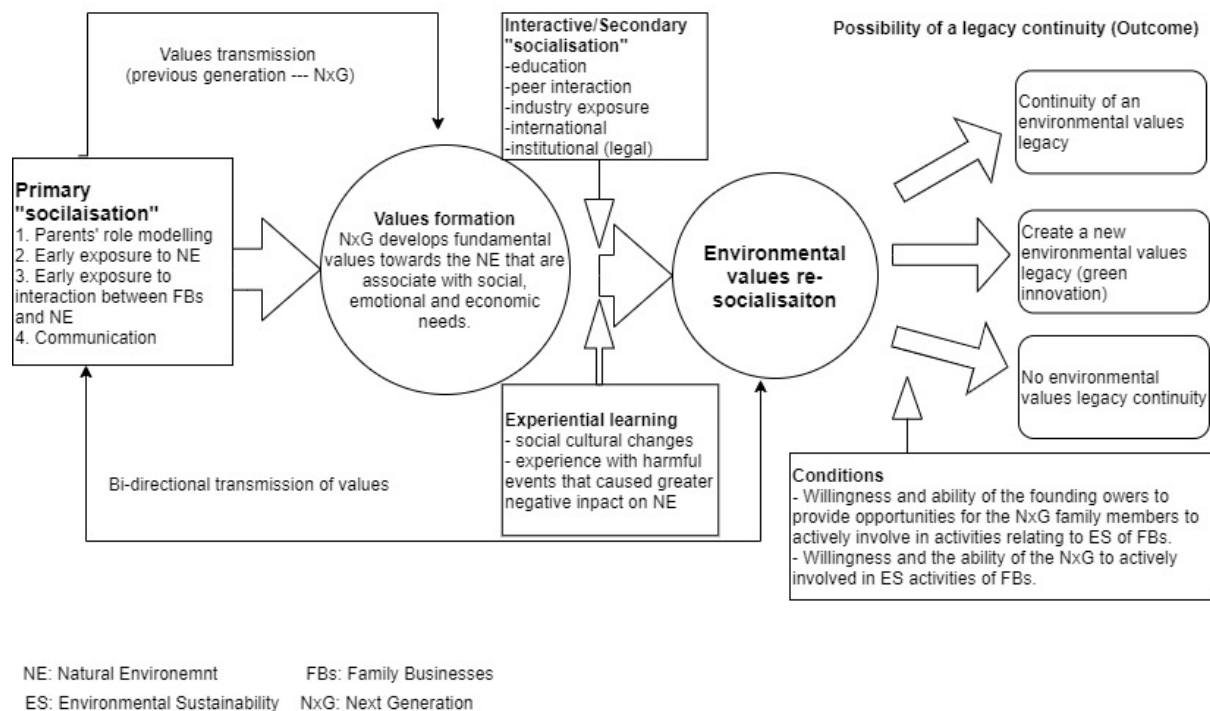


Figure 8 Model of environmental values formation, transmission and legacy continuity

#### 4.6.1 Environmental values and values formation

The figure 8 shows that primary socialisation leads children to form environmental values that are associated with social, emotional and economic needs that they expect from interacting with the natural environment.

The initial objective of this paper was to identify personal values related to the natural environment. Most of the corporate websites (65 company websites) associated the wineries' ecological values with economic benefits, whereas two case study participants also mentioned economic needs.

Several factors may explain this result. First, the wine industry depends heavily on the natural environment for its survival. For example, soil, water, and climate are an integral part of healthy vineyards. Preserving the quality of the natural environment is therefore critical for the industry's long-term survival. Secondly, marketing, branding, and customer satisfaction in the global wine industry focus significantly on ES and green labelling. As the marketing and branding of New Zealand wine is dependent on the country's clean green image, obtaining green certifications could be a way to achieve market-oriented economic objectives (Smith, 2009). Thirdly, the results showed that "prior family business exposure" in the wine industry

provided the NxG with an opportunity to understand the natural environment as part of their economic, social, and emotional well-being (Houshmand, Seidel, & Ma, 2017), internalizing deep respect and care within the NxG towards the natural environment. Leiß and Zehrer (2018) explained how prior family business exposure provided opportunities for children to get an idea about their parents' life and work. Consequently, they developed an emotional bond with the FB; this experience also helped them to internalize family firm-specific values and knowledge.

Previous research supports our findings to some extent. Dyllick and Hockerts (2002) discussed the 'concern for the land' as the 'natural case' for corporate sustainability, meaning that “as long as a firm is operating close to (or even beyond) the environment's carrying capacity, it can never become truly sustainable” (p. 135). Therefore, it should be noted that the economic benefits stated in this study do not necessarily represent only the business case for sustainability, but also include the natural case because in the wine industry nature is intertwined with every aspect of the business.

Our findings regarding economic benefits are also supported R. S. Marshall et al. (2005) who explained that environmental management practices are centred on proactive winery managers' subjective norms around employee welfare, product quality, and cost efficiencies (economic values). This study's findings are consistent with Knight, Megicks, Agarwal, and Leenders (2019) who demonstrated a significant positive effect between owning strong brands, service resources, and environmental behaviour. However, as they have not shown how ecological values are formed in association with these economic benefits, our research extends the discussion on economic benefits by associating them with the formation of environmental values.

While the above results highlight the importance of economic benefits associated with ecological values in the ES engagement of family firms in the wine industry, they cannot, given the unique nature of the wine industry (highly embedded in the natural environment), be extrapolated to other industries. They could however apply in industries (agriculture/farming) that depend exclusively on natural resources for business operations and survival.

As explained in the findings section, not all the study participants prioritized economic values. Nevertheless, this study shows that the participants' environmental concerns can also centre around social and emotional values. Three case studies identified the health and safety of family

members, employees, and the desire of the founding generation to leave a quality natural environment for the future generation as the most important social values associated with ES. Furthermore, the older generations emphasized their connection with the local neighbourhood as a fundamental reason for protecting the natural environment. The wine industry is considered to be an industry with significant environmental impact. Given family owners' and the NxG's environmental concerns were around the health and safety of their family members, local community, employees, and customers, social values are prominent among FBs operating in the wine industry.

Prior studies have noted the importance of the social benefits of associating with ES. For example, Cordano, Marshall, and Silverman (2010) studied the wine industry, ES, and internal stakeholders-employees. They found that when the pressure from internal stakeholders increased, the adoption of environmental management practices also increased. With respect to local embeddedness, Dekker and Hasso (2016) stated that family firms, when highly embedded in the social community, show higher environmental performance levels. Similarly, Kurland and McCaffrey (2020) suggest that the community in which the family is embedded is one of the key motivators for the owner-founder to preserve farming on fertile land. However, as explained earlier, these researchers did not develop a link between social benefits and the formation of ecological values. Therefore, our research provides a unique perspective and extends the discussion of social benefits and nonfinancial goals of family firms by associating these benefits to environmental values.

With this background, the first research question focused on understanding how the NxG forms its environmental concerns around economic, social, and emotional values attached to the natural environment. The theory of socialisation was used to identify and explain the sources (agents) and socialisation levels of the NxG. The results show a strong connection between the environmental values of the participants and their primary socialisation. Three main aspects of primary socialisation emerged from this study: early childhood exposure to the natural environment, early childhood exposure to the family business, and parent-child interaction (See Figure 8).

This study shows that early childhood exposure to the natural environment is an essential aspect of the primary socialisation of environmental values. It was clear from the case studies that an emotional bond between children and the natural environment was formed at an early age. The

NxG family members narrated their early childhood experience with the natural environment and outdoor activities, biking, beach party, camping, and climbing mountains. They associated these memories with different family members, primarily parents, siblings, and grandparents. Further, NxG family members with children expressed a desire to provide a similar environmental experience for them. Thus, they engage in ES activities to preserve the natural environment for the NxG.

This finding is consistent with those of other studies that confirm the relationship between early childhood exposure and environmental values. For example, Ewert, Place, and Sibthorp (2005) support the idea that early childhood outdoor experience is related to future environmental views (eco-centrism vs anthropocentrism). Bixler et al. (2002) and Vadala et al. (2007) also show that beliefs and attitudes that children develop toward the natural environment are essential to forming environmental values. It should be noted that while the focus of such studies was understanding only how children developed their environmental values, our study extends this discussion by investigating environmental values formation in a unique context where children are exposed not only to the family, but also the FB and interaction with nature early in their life and receive unique opportunities to create a bond with nature that depends on economic, social, and emotional needs. We also found evidence showing how the values the NxG developed earlier in their life impact them and lead them to make proactive environmental decisions as adults in the business context.

This study found that parents' environmental behaviour (organic, biodynamic, recycling, simple lifestyle) imprinted deeply on NxG's environmental behaviour and consumption patterns.

Two critical means of parent-child interaction related to the natural environment emerged from the case studies: role modelling and communication (dialog). For role modelling, most of the NxG participants explained how they observed the minimalistic behaviour of their parents, their commitment to looking after the land, and how parents encouraged reuse, innovation, and recycling behaviour. Secondly, the informal discussions between parents and children regarding ES, organic, and biodynamic practices also played an essential role in NxG primary socialisation (See Figure 8: Primary socialisation).

The results showed that in the context of the family and business interaction, especially in the wine industry, 'prior family business exposure' becomes an integral part of the primary

socialisation process. One reason for this outcome could be that the family home is located in the vineyard (95% of the families in the sample study). All the family members lend a hand with the daily activities of the FB and get the opportunity to observe how the parents run business activities, including ES engagement. The NxG gains first-hand experience with ES. Carr and Sequeira (2007) found a significant direct and indirect effect from prior FB exposure on entrepreneurial intent. They viewed prior FB exposure as an intergenerational influence agent, which acts as a tool that transmits information, belief, and resources across generations (Carr & Sequeira, 2007, p. 1992). However, as there are no studies directly focusing on prior FB exposure and the transmission of environmental values, this is an area for future research.

Previous researchers explored FB socialisation as an internalization process of value transmission and on-the-job training of the founding owners' descendants (Bika et al., 2019). Prior studies include those on values transmission (Albanese, De Blasio, & Sestito, 2016), the transmission of responsible family ownership (Aragón-Amonarriz, Arredondo, & Iturrioz-Landart, 2017), and responsible behaviour such as volunteering (Bekkers, 2007). As with the findings of this research, others have recognized a correlation between values received from parents and values transmitted to descendants (Albanese et al., 2016). Overall, although the literature emphasizes that childhood (exposure, experience, learning) and the influence of parents and grandparents are critical to forming young people's environmental values, our research may be the first to discuss the intergenerational transmission of environmental values in the FB and the possibility of creating an environmental legacy in the FB. We therefore propose the following propositions:

- I. The NxG, with early exposure to the natural environment and/or who are deeply locally embedded, will show environmental concerns related to social and emotional benefits of ES engagement.*
- II. The NxG, with prior exposure to the family business interaction with the natural environment will show environmental concerns related to economic benefits.*
- III. Role modeling and communication by parents and grandparents are primary mechanisms for the NxG to form their values towards the natural environment.*

The current study found that secondary socialisation strengthens the environmental values children developed earlier in their lives and further promotes action-oriented outcomes toward preserving the natural environment.

As illustrated in Figure 8, the basic environmental values formed during primary socialisation evolve as young children connect with other agents of socialisation (secondary/interactive socialisation). Further, existing frame of reference or values of individual evolve as they encounter significant incidents such as social, economic, and environmental changes (experiential learning).

Secondary socialisation involves several external agents in the environmental values formation of children. The study participants discussed sources (agents) including university education, industry exposure (local and global), travel, and media. They explained how these sources helped them build and sometimes change or modify their existing perceptions, attitudes, and values towards the natural environment. For example, the youngest participant of the study explained how primary and middle schools have curriculum designed to include topics regarding environmental sustainability and had activities to preserve the natural environment in a local neighbourhood. Chawla and Cushing (2007) stated that environmental education should start even in kindergarten and preschool. Although Collado et al. (2017) explained the influence of close friends during the period when children expose themselves to more secondary sources, our study did not find evidence to support this view. Our research provides new insight into the FB context by showing that secondary socialisation is effective only if certain conditions support the actual implementation of new ideas. In saying that, the proactive behaviour of the next generation and impact of those actions depends first, on their (NxG) willingness to be part of the family business and second, on the willingness and the ability of the founding generation to accommodate the NxG's innovative and proactive ES ideas.

Based on the above discussion, future research can apply the following propositions regarding environmental values and values formation of the NxG:

- IV. *Secondary socialisation agents such as education and industry experience can influence the NxG to take more proactive actions towards preserving the natural environment, given that they are willing to be involved in the ES activities of the FB and the founding generation are also willing and able to accommodate these innovative and proactive ideas.*

Bika et al. (2019) third level of socialisation is experiential learning. Only one NxG participant (FO winery) claimed experiential learning as part of their environmental values socialisation, although the founding owners of CH winery did acknowledge the impact of experiential learning regarding their engagement with ES. According to these participants, industry

experience (working in a business other than their family-owned business) and international experience (including travel) played a critical role in the experiential learning process.

- V. *Through experiential learning, the NxG can either strengthen existing values or adopt a new set of values.*

Our socialisation model differs from that suggested by Bika et al. (2019) in two ways. First, they categorized FB interaction with the NxG as part of secondary socialisation. Although this paper argues that children's early exposure to the FB and natural environment (in the wine industry) is the primary socialisation mechanism, it also agrees that secondary socialisation occurs when children join the FB after secondary or tertiary education and with some industry experience. Most of the founding generation and the NxG participants explained that their memories around the natural environment and childhood were associated with their parents' family farm or vineyards. They had worked in the family winery and understood how parents work with the natural environment and how the entire family depends economically on the natural environment. Given that our participants explained the way they had developed a bond with nature largely in terms of their experience with the land as children, we argue that this earlier childhood exposure to business-nature interaction is part of their primary and not their secondary socialisation. The second difference is that Bika et al. (2019) explained experiential learning as a process whereby values come from outside the family. This paper however argues that, while the desire to act sustainably can be triggered externally (e.g., strong motivation to take firm-level action to protect the natural environment), the fundamental values towards the natural environment are already internalized by the influence of family and as part of the other agents of the primary and secondary socialisation. Therefore, how far the external changes influence those values depends on how strongly the decision-maker holds their primary values. For example, when asked if the Covid-19 pandemic impacted ongoing ES activities, all the participants stated that their environmental standards would not change due to external influences.

#### **4.6.2 Environmental values transmission**

As illustrated in Figure 8, the basic environmental values formed during primary socialisation evolve as young children connect with other agents of socialisation (secondary/interactive socialisation). Further, the existing frame of reference or values of an individual evolve as they encounter significant incidents such as social, economic, and environmental changes



(experiential learning). As seen in Figure 8, bidirectional transmission of environmental values was discovered. However, during primary socialisation, parents transmit their ideals to their children via role modelling. As children's values are resocialized, the prospect of bidirectional transmission becomes apparent, in which children communicate some of their values to their parents through formal and informal contact.

The second research question relates to understanding how the founding generation transmits environmental values to their direct descendants. As stated in the findings section, several strategies were identified as actions and processes parents used, formally or informally, to transmit their environmental values to the NxG. These strategies related to how parents transmit their values by providing opportunities for children to be exposed to the natural environment and family business-nature interactions at a very young age. Most study participants also considered role modelling and communication an essential means of encouraging environmentally friendly values in their children.

The transmission of similar values and opportunities to the NxG is supported by Albanese et al. (2016); they found that parents can transmit values during this stage by creating opportunities for children to freely observe and engage with nature and set examples by role modelling. The findings of the current study align with Copen and Silverstein (2007) regarding how parents transmit values to their children. They revealed the vital role grandparents play in transmitting religious values of the NxG. This remains an unexplored area in ES and FB research.

The results show that strategies used by parents to transmit values, and the way children accept values transmitted by their parents, are heterogeneous across the case studies. This result may be explained by the fact that values transmission is influenced by many factors that have not been considered in this study. For example, the extant literature has found that the age of children, the type of values being transmitted, and parental characteristics such as parenting style influenced the transmission of values (Doepke & Zilibotti, 2017). (Dohmen, Falk, Huffman, & Sunde, 2012) also refer to parental homogeneity (parents having similar backgrounds in religion, social status, education, personality).

The current study supports the idea of the homogeneity of parents, as in the majority of cases, the husband and wife founding generation had similar family backgrounds (such as farming) and equal attachment with the natural environment. These parents stated that early childhood

exposure to the natural environment and daily dialog with their children effectively transmit their environmental values. Therefore, the current study supports the idea that the stronger the homogeneity between parents, the stronger the possibility to share values with their children (Dohmen et al., 2012).

The current study also supports the extant research related to the importance of age (Eagles & Demare, 1999) in how children accept their parents' values. The study indicates that the transmission of environmental values during early childhood is critical for forming fundamental values towards the natural environment in children.

The unanticipated finding of this study is that there is a two-way transmission of environmental values, with children also influencing their parents' environmental values and intensity (i.e., how much parents are ready to take actions regarding ES). As Bika et al. (2019) and Barni et al. (2013) supported the idea of dyadic transmission of environmental values, with this in mind, we offer the following propositions:

- VI. *Parents transmit environmental values to the next generation by providing them with opportunities for early childhood exposure to the natural environment (outdoor activities) and role modelling. Such experiences create a social and emotional bond between children and the natural environment.*
- VII. *Parents transmit environmental values to their children by providing early childhood exposure to the family business and its interaction with the natural environment. Such experiences can develop an economic dependency (nature as a critical resource for the family's economic well-being) over the natural environment.*
- VIII. *Formal and informal communication between parents and children on matters regarding environmental sustainability can lead to the dyadic transmission of environmental values.*

#### **4.6.3 Continuity of an environmental legacy in the family business**

As seen in Figure 8, there are three paths for environmental value continuity (continuity, improvement, and discontinuity, or absence of legacy continuity). These possibilities are contingent upon a few factors. As a result of the research, we discovered two critical conditions affecting parents and the younger generation. According to Figure 8, continuity is feasible if both the previous and subsequent generations of family members are motivated and capable of cooperating to realise shared goals related to family business ES involvement. Collaborating may need early preparation by the original owners/parent generation to involve children in FBs-related activities, notably ES engagement. Continuity necessitates concord, or fruitful

disagreement, between the founding generation's ideals and those of the next generation in order to agree on a more favourable case for ES. The third and final research question is focused on understanding how family firms can continue an environmental value legacy? One aspect of this question requires observing the similarities and differences among environmental values of parents and the NxG. The parents in two of our four cases clearly distinguished their values and their children's values. One participant noted that their children have stronger environmental values, while the other stated that their children have more profit-oriented values. Thus, the results show differences in the environmental values of the founding generation and the NxG.

These outcomes may be due to the differences in the socialisation context of the two generations. External changes in, for example, regulatory bodies, education systems or consumer demand have created differences in the socialisation experiences of the founder and the NxG. Diprose, Valentine, Vanderbeck, Liu, and McQuaid (2019) discussed the difference of the intergenerational values and explained the gap resulting from inevitable changes in social and economic structures, for example, an increased association of the young generation with materialism. Surprisingly, our results show that most of the NxG family members held on firmly to the environmental values developed during childhood. Resocialisation of values could be seen with the influence from external agents, for example, education and industry exposure. As a result, children could exert more pressure over the environmental decisions and actions of their parents. The following propositions were developed:

- IX. *The socialisation experience of the founding generation is different from that of the next generation. Hence the socialisation experience is a key reason explaining values variations between the generations.*
- X. *The fundamental values towards the natural environment are formed during the primary socialisation of the next generation. However, resocialisation of values is possible as children are exposed to other socialisation agents.*

Surprisingly, even if intergenerational values differences exist, continuity of ES activities in the family firm was possible due to formal and informal governance structures. For example, the results indicated evidence of regular family meetings to discuss how to continue with the ES engagement in the FB. Establishing proper communication channels and governing structures to facilitate intergenerational transmission is supported by previous research on legacy continuity in FBs. For example, Barach, Gantisky, Carson, and Doochin (1988) addressed the responsibility of the previous generation to plan for the integration of the younger

generation into the family firm by adjusting the organisation to the NxG and providing opportunities for them to start early. Such successful integration requires patience, and patience is a two-way street, where common goals are reached between the two generations with low similarity in their values.

The following proposition was developed:

- XI. *An environmental legacy can be continued in the family business given that the founding generation and the next generations are willing to share their environmental values. The founding generation facilitates the involvement of the next generation in decisions and actions regarding ES.*

## **4.7 Conclusion, theory contribution and limitations**

The research examined environmental values formation, transmission, and continuity in FBs using QulCA of corporate websites and multiple case studies. We found that the NxG goes through a multilevel socialisation process to form their ecological values. Overall, the study finds that the interaction of family, family business, and the natural environment creates a unique context for environmental values formation and transmission.

One of this paper's theoretical contributions is the categorization of environmental values related to the economic, social, and emotional needs of the family, founding owners, and the NxG family members. Most of the extant research, for example Schwartz, 2003, 2012; Schwartz & Sagiv, 1995; Braithwaite & Law, 1985; Hofstede & Bond, 1984; Rokeach, 1973; Weber, 2015 provided a comprehensive set of value types. However, we found difficulties in applying those value types to analyse the content of the interviews and the written content related to family stories and narratives. Therefore, we allowed categories to emerge from the study and found that families described their environmental values in relation either to economic concerns such as maintaining the quality of the wine or social concerns, for example, the desire to be a responsible actor in the close community or neighbourhood or emotional concerns such as self-identity with the natural environment. Heterogeneities could be seen in the way each participant prioritized their social, emotional, and economic needs.

The paper's other theory contribution involves environmental values formation and transmission. Concerning environmental values formation, the paper exemplified the multilayered socialisation process presented by Bika et al. (2019) to explain the founder's environmental values formation and particularly that of the NxG. In the discussion section, we

explained in detail two differences from the model presented by Bika et al. (2019). Future researchers can explore this argument further.

This paper also contributes to theories regarding legacy and legacy continuity in FBs, an area which is still developing (Barbera, Stamm, & Dewitt, 2018; Nathan L. Hammond et al., 2016; Hunter & Rowles, 2005; Kane, 1996), as it may be the first empirical investigation into the environmental legacy continuity in FBs. The paper contributes to theory by introducing criteria that can be used to understand possible scenarios to predict if an environmental legacy could be continued in the business. First, the founding generation's perception of the NxG values similarities needs to be taken into account. Secondly, the willingness and the ability of the founding generation to accept and accommodate the different environmental values of the NxG and their efforts to provide a suitable environment (such as regular formal or informal meetings) to mitigate intergenerational values differences should be considered. Third, from the perspective of the NxG, their willingness to take over the FB or their wish to be involved in key decision-making positions (regarding ES decision-making) of the business and their willingness to continue or develop parents' (founding generation's) ES legacy should be considered. Future researchers can use these criteria to develop a model that predicts and understands the continuity of environmental values and legacies in the FB by applying a more extensive data sample.

One implication of our research is that those involved in ES education may use the results of this study, especially regarding early childhood, primary, and secondary education, for example, when designing programs to educate parents regarding their role in promoting environmentally friendly behaviour with children (values transmission through communication and role modelling). The findings also have crucial implications for FB owners, consultants, and policymakers in ES who operate in industries such as the wine industry, farming, and agriculture. These agents can educate the founding generation on how to involve the NxG in the decisions and actions regarding ES to overcome intergenerational differences in environmental values and develop a long-term strategic plan for ES.

The research provides valuable future research areas. First, the study's findings can be replicated with a larger sample, using more case studies from different industries and different cultural contexts, and an industry-wide survey can be used to test the propositions developed in this paper. Secondly, future researchers can consider national culture as a variable to study

this topic area and its impact on family values and the bond between parents and children. Future researchers can also study early childhood exposure to the FB and nature interaction and the impact of this exposure on the personal environmental values that the NxG develops during adulthood (including resocialisation). For example, future researchers can question what types of childhood experience led to social, emotional, or economic values associated with the natural environment. There are also ample opportunities to further explore environmental legacy continuity in FBs

A significant limitation of this study is its generalizability. The uniqueness of the wine industry and the limited number of cases studied make generalizing the findings to other sectors or the wider population difficult. However, the limited number of case studies was partially countered by including the website data. The research was also carried out during the COVID-19 pandemic. Therefore, the two-step sequential qualitative method used is a good example for future researchers who face similar situations.

Family businesses are a dominant part of many industries. Understanding the drivers of ES within a FB context and how an environmental legacy can be successfully established is therefore critical to FBs with a long-term focus and transgenerational intentions.

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# Chapter Five: Conclusion

## 5.1 Introduction

The thesis is positioned at the crossroads of ES and FBs. ES is a continuing problem despite decades of effort, and stakeholders have pressured business organisations for more effective, voluntary, and proactive ES activities. ES experts are presently investigating why different firms respond to ES in different ways.

Globally, FBs have been recognised as having a significant cumulative effect on the natural environment (Fan, Zhang, & Zhu, 2021; Yu, Zeng, Chen, Meng, & Tam, 2021). Existing research on FB and ES has explored why family businesses do better (in terms of ES) than non-family enterprises, and has found, among other variables, the important roles of personal and family values in proactive ES involvement. Recently, there has been discussion on family company heterogeneity. Nevertheless, there is a research gap in the present debate about why and how FBs vary in their approach to ES, as well as how a family can maintain its legacy of environmental values in the FB.

The overarching objective of the thesis was to acquire information to help fill the aforementioned gaps in the current discourse. The thesis used a qualitative method guided by the constructivist paradigm of the researcher. Rather than using generic management theories, the thesis examined family-specific theories such as family logic and familiness, which are derivations of institutional logic, in order to explain family-specific heterogeneities and their effect on ES choices and actions.

The thesis and its conclusions are summarised in this chapter. Section 5.2 discusses four major contributions of the thesis: 1) family logic and familiness as a novel approach for discussing heterogeneities among family firms in their sustainability engagement; 2) the introduction of different types of family logics that have different degrees of influence over firms' actions and decisions; 3) analysis of family resources both as an antecedent and as an outcome of ES engagement; and 4) discussion of environmental legacy continuity - a new concept developed during the study. The section also explains how each publication was supported by or linked to subsequent research, especially in terms of the conceptual framework generated from the structured literature review. It also describes how the conceptual framework informs the other



manuscripts in this study. Section 5.3 examines the study's practical ramifications while Section 5.4 addresses the general limitations of the thesis. Section 5.5 identifies future research possibilities.

## **5.2 Overall thesis contribution**

### **5.2.1 Family logic and familiness as a novel approach for discussing heterogeneities among family firms in their approach to ES.**

There is a growing emphasis among FB and ES researchers on understanding the heterogeneity of family firms. Comparing family businesses to other family businesses may provide more insight on the variations in family businesses' engagement in ES than comparing FBs to nonfamily firms. Therefore, one of the overall research objectives of the thesis was to determine how and why family businesses act differently towards ES. In the first and second manuscripts, family logic and familial theories were used to further explain family-specific differences and their impact on family decisions and behaviours towards ES.

Chapter Two / Manuscript 1 used the extant literature to show how family logics (socioemotional wealth, long term orientation, and the founders) and family resources (social capital, human capital, emotional capital, and moral capital) influence ES engagement in family firms. A conceptual model was developed that linked those variables (family logic, familiness, family firm, ES) and provided a holistic view of how and why heterogeneities exist in family firms. Based on the structured literature review, three levels of heterogeneity were discovered among family companies: founder (person), family, and family firm level heterogeneities. Several variables at the family and founder levels, such as family socioemotional wealth, founder values, and transgenerational intention, were identified as family logics that guide the family companies' choices and actions.

The conceptual model was used to explain how family logic operates as a cognitive framework that moulds businesses' values, ethics, and culture, all of which have an effect on the nature of ES engagement. The model showed that family involvement in the family business (family logics, e.g., socioemotional wealth) influences many aspects of family firms (family values, culture, ethics, human resources practices, innovation, and investment). A bundle of tangible and intangible resources (familiness) is created that could act as a cognitive frame of reference

for decision making and actions of family members and nonfamily employees regarding ES. For example, socioemotional wealth (family logic) creates resources (familiness) such as social ties (e.g., relationships with the local neighbourhood) (Arena & Michelon, 2018), emotional bonds (family members' attachment to protecting the family name and identity) and social capital (a network of relationships with family members, local suppliers, local community, and nonfamily employees) (Bingham, Dyer Jr, Smith, & Adams, 2011). Therefore, the desire of the family to protect their social capital becomes a cognitive frame of reference that guides the social and ES behaviour of family members. It may be inferred that various families prioritise different logics, therefore their allocation of resources to the family business varies, resulting in variations in the level and type of ES engagement.

Chapters Three and Four (Manuscripts 2 and 3) provided further evidence to support these conclusions.

The broader goal of Chapter Three / Manuscript 2 was to empirically investigate family involvement in the ES engagement of family firms. As a result of data collection difficulties during the COVID-19 pandemic, the goal was narrowed to a more specific aim, i.e., to understand how family firms portray family values, culture and ethics, founder imprints, and the next generation, in their ES disclosures. The results showed that family involvement in the business creates a favourable environment for family firms to engage in ES activities. A significant positive relationship between family values, traditions, and culture and the ES engagement of family firms was found in the written content of corporate websites of family firms. As discussed earlier, Manuscript 2 provided evidence for the conceptual relationship explained earlier in Manuscript 1.

In Chapter Three / Manuscript 2, I discovered that family (logics) (nonfinancial objectives, company sustainability, family member safety and health, transgenerational intention, and local embeddedness) have a significant impact in determining family enterprises' ES participation. We mentioned in Manuscript 2 that this dominance may be a result of the local community's strong attachment to the family name, family estate, and family identity, which is interwoven into the wine, marketing, and business strategy (Bresciani et al., 2016; Browne, Balan, Lindsay, & Lindsay, 2016; De Steur et al., 2020; Duarte Alonso & Bressan, 2013;

Dufour & Steane, 2010). As indicated by the literature, we discovered disparities in wineries' approaches to ES.

Related to identifying family variables that could lead to heterogeneities among family firms in their engagement with ES, the findings revealed a surprising degree of variation in the family and business interactions in terms of family influence. Five categories of heterogeneities were identified: 1) family ownership and control-based variations, 2) founder/founding owners/family members who actively participate in management-related activities, 3) next generations' involvement/multigenerational engagement-related activities, 4) environmental benefits families seek through ES activities, and 5) non-financial goals related heterogeneities. Three types of heterogeneities could be classified similarly to the family, founder, and firm level heterogeneities identified in Chapter Two / Manuscript 1. However, the involvement of the next generation in family business ES activities, as well as the benefits that the family expects from engaging in ES, were identified as two sources of heterogeneities that have not been discussed in the existing literature.

Based on the described heterogeneities, three typologies of family firms were determined (Family-first, Business-first, and Upstarts). Each type of family business has a special combination of logics, objectives, values, and level of ES involvement that differentiates one type of family firm from another. Each type has different priorities or dominant family logic, and a different degree of capitalizing on the family resources. These typologies can be used to understand the behavioural differences and strategic choices regarding ES engagement of family firms. Family-first are family owned and operated companies run by two or more generation of family members, mostly medium to large scale, some with 125 years' industry experience. Business-first are family-owned firms, but operated by non-family members. Finally, Upstarts are husband-and-wife owned-and-operated family businesses. These typologies were based on the information presented on corporate websites.

Chapter Four / Manuscript 3 expanded my knowledge of the family company typologies outlined in Manuscript 2. Manuscript 3 aims to understand environmental values socialisation, transmission, and possibility of legacy continuity in the family business. The research involved a combination of qualitative content analysis of company websites and multiple case studies. Three of the four case studies could be classified as Family-first or Upstarts. For instance, CH

winery could be defined as a Family-first winery, characterised by clear succession planning, collaboration between generations, a clear transgenerational intention, a long-term orientation, few nonfinancial goals, a commitment to sustainable and organic practices, and a founding generation with strong environmental values and vision. The SC winery might be classified as an Upstart because of its distinctive family characteristics, which included youthful founding proprietors with small children, as well as strong organic personal beliefs and way of life. The owners' values have been shaped through learning connected with industrial experience including the use of large-scale chemicals that are harmful to workers' and customers' health and well-being and the natural environment. As a result, they are greatly driven to live an organic lifestyle in order to offer a healthy and safe environment for their young children to grow up in. They wanted to pursue organic principles before acquiring the business, and today every facet of the business is organic. However, one of our case studies (FDH winery), could not be classified into any of these typologies since the case study features do not correspond to the heterogeneities described in the three categories of family enterprises. Thus, future scholars may either build on the typologies or create other subcategories. Alternatively, they can undertake further case studies to see if this is a unique example or whether comparable situations exist.

Chapter Four / Manuscript 3 examined the next generation's involvement as a source of family firm heterogeneity and the family's ability to sustain an environmental legacy inside the family company. As a result, variances in the way the family continues its environmental legacy could be seen. Additionally, I observed that various families have varying relationships with nature, which is related to the social, emotional, and economic needs they hope to be met through ES.

Overall, I discovered substantial evidence in Manuscripts 2 and 3, that the relationship between family logic, familial attachment, family firm ethics, values, and culture, and ES participation exists as described in the conceptual model.

### **5.2.2 Identification of different elements of family logics and how these logics create familiness.**

Manuscripts 1 and 2 present diverse elements of family logic such as SEW, social and local embeddedness, family culture tradition and values, and family nonfinancial goals that can lead to variation in the ES engagement of family firms. The inclusion of different and diverse

elements of family logic is justified using the definition of institutional logics. Institutional logics, according to Thornton and Ocasio, 2008 (p. 804), are both material and symbolic—they define the formal and informal norms of behaviour, interaction, and interpretation that guide and limit decision makers. Family businesses with their own organisational structure, in which family and company are inextricably linked, may have a distinct set of informal norms of conduct and interaction that govern or define family members' ethics, beliefs, and family culture, including their ES behaviour. By influencing and regulating family members' behaviours, familial logic may serve as a cognitive framework (Miller, Breton Miller, & Lester, 2011).

The literature review (Chapter Two / Manuscript 1) enabled us to identify and categorise many components produced by the family that may serve as a code of conduct, an interaction, or a guide (logic) that may influence the behaviour of family members. For instance, studies have identified the family's socio-emotional wealth (the founder's emotional attachment to his or her neighbourhood and the founder's desire to preserve the family's reputation and goodwill) as a significant factor influencing how family members interact with the larger community. Socioemotional wealth (family logic) creates resources (familiness) such as social ties (e.g., relationships with the local neighbourhood) (Arena & Michelon, 2018), emotional bonds (family members' attachment to protecting the family name and identity) and social capital (a network of relationships with family members, local suppliers, local community, and nonfamily employees) (Bingham, Dyer Jr, Smith, & Adams, 2011). In the long run, the family business's reputation and subsequent web of connections produce intangible capital that may help it grow in value (familiness: network capital, reputational capital, and social capital). As a result, when a family member makes a decision or takes action on an issue that impacts the larger community, such as environmental protection or chemical use, the family member must use care to avoid compromising their network or reputation. Consequently, SEW, like network and reputational capital, may be used as a cognitive framework for family member managers' decision making and behaviour and shape the company's ethics, values, and culture. Finally, SEW acts as a guide (cognitive frame) for family members' interactions with the outside world. Therefore, it might be defended as part of family logic. Different families capitalised differently on socio-emotional wealth, depending on how much emphasis they put on maintaining the emotional wealth of their forefathers. Hence, the priority placed by each family on these family logics are heterogeneous, hence creating variation in their approach to ES.

Similarly, we reasoned that a variety of factors, such as socioemotional wealth, long-term orientation, transgenerational intention, founders' values, nonfinancial family goals, and family ownership, can act as family-related logics, influencing, limiting, and guiding their decisions and actions. The literature has provided evidence to support our view.

In Chapter Three, family logics are defined as the entrepreneurial orientation of family owners that reflects nurturing (financial security), generativity (guiding and mentoring the next generation), and family loyalty (protecting the family name) so that family members bestow legitimacy on those serving the family's needs (Miller, BretonMiller, & Lester, 2011). It is critical to understand how family logics "speaks to" the conclusions of Chapter Two - the literature review.

If we apply these results to the aforementioned criteria, the ability of the next generation to sustain the family's socioemotional wealth, for example, may be considered an act of familial loyalty. Furthermore, the founders' values could influence the next generation of family members by educating them and providing an example of ethical behaviour. As a result, the founding owner or next generation family member/s who manage the family business sustainably, financially, and to protect the family's image in the community may receive legitimacy to operate the firm from other family members or stakeholders. Long-term legitimacy preservation may provide a range of resources, including human capital, reputational capital, and spiritual capital, all of which serve as a cognitive frame of reference for future generations when making decisions and performing actions. As a consequence, the conceptual framework provided in the literature review complements Miller, Breton, and Lester's (2011) explanation of family logic.

In summary, we discovered data demonstrating how distinct familial institutions and resulting familiness serve as the primary reference point (cognitive frameworks) for family member managers, CEOs, and nonfamily workers' ES decision-making, which is a novel and relevant framework for studying the phenomenon of environmental sustainability in the unique context of family, family firm, and natural environment interacting to deliver economic goods. In general, the conceptual model established in the first manuscript is connected to subsequent manuscripts, and the overall organised literature review guides the development of research questions and the design of subsequent manuscripts.

### **5.2.3 Family resources (familiness) as both antecedents and outcome of ES**

One of the unexpected findings of the research is that family resources (familiness) are acknowledged as both antecedents and outcomes of ES. Existing research demonstrates the importance of ES in leveraging and developing resources for businesses in general. (Porter, 1991; Klassen and McLaughlin, 1996; Hart, 1995)

Earlier research has mostly focused on how environmental legislations provide corporations with a competitive edge (Porter, 1991; Porter and Van der Linde, 1995). Several scholars have explored how engagement with ES results in increased participation in environmental innovations by businesses. Other scholars have explored the social legitimisation achieved by ES activities as a means of enhancing competitive advantages (Shrivastava, 1995; Westley and Vredenburg, 1991). Finally, Klassen and McLaughlin (1996) demonstrated how ES leverages the financial performance of businesses.

Hart (1995) applied the resources-based view of the firm to the domain of ES to demonstrate two points: first, that a firm's competitive strategies and performance are highly dependent on firm-specific resources; and second, that these resources evolve as a firm responds to competitive environment pressures such as increased demand for proactive ES engagement. To supplement this argument, Sharma and Vredenburg (1998), quoting Hart (1995), explain that "new environmental strategies may result in the creation of firm-specific competencies that can provide a competitive advantage." (p. 730).

Indeed, the limited research in the fields of ES and FBs has examined how ES might help family enterprises leverage or develop resources. For instance, a family business with a greater level of ES participation may be able to boost the family image and brand, which are part of their reputational capital (family resources) (Terlaak, Kim, & Roh, 2018). A stronger reputation will also assist the family in achieving socioemotional wealth-related and nonfinancial objectives, such as customer satisfaction, staff morale, and community reputation (family logics) (Dou, Su, & Wang, 2017; Panwar, Paul, Nybakk, Hansen, & Thompson, 2014). The reputational capital might ensure social legitimacy.

The conceptual model also shows some benefits that family firms can gain through their engagement with ES. Extant research has shown how these benefits later become part of

resources owned by the family. For example, a family firm with a higher level of ES engagement could enhance the family image and brand, which is part of their reputational capital (family resources) (Terlaak, Kim, & Roh, 2018). A higher reputation will further enable the family to achieve their socioemotional wealth-related goals and nonfinancial goals, for example, customer satisfaction, employee morale, and reputation in the community (family logics) (Dou, Su, & Wang, 2017; Panwar, Paul, Nybakk, Hansen, & Thompson, 2014). Hence, the conceptual model shows a dyadic relationship between family logics, familiness, and ES engagement of family firms.

Chapters Three and Four (Manuscripts 2 and 3) demonstrated the ability of ES to leverage and generate resources for family wineries operating in New Zealand's wine industry and globally. Legitimacy is a crucial intangible benefit of ES involvement that may be exploited to increase stakeholder involvement and market share (De Steur et al., 2020; Galbreath, 2014; Marshall, Cordano, & Silverman, 2005). I discovered evidence, outlined in Manuscripts 2 and 3, that family members anticipate social, emotional, and economic gains from ES participation. For example, some of our case study participants expect to enhance the health and safety of their workers, customers, and family members by switching to organic practices; others want to increase market share; and yet others hope to fulfil their emotional requirements. Most family-owned wineries in New Zealand intend to continue high-quality wine production in the long run by engaging in ES activities that safeguard the long-term health of the soil and water. Given the transgenerational nature of family businesses, especially those with two or more generations, the potential of current ES activities to ensure the long-term viability of the family business has been emphasised, all the more so given that land is the key material input for the firm. In such a setting, the ES may benefit from exclusive, long-term resources managed by a single family. Additionally, knowledge of how to manage a family vineyard sustainably has been acquired through generations and enhanced with more green innovation, which has become an intangible resource for family businesses. Several case study participants, however, said unambiguously that there is no market opportunity for green practices or green labelling in the local market; that ES does not generate more revenue or investment for family businesses. Due to the limited number of case studies in this research, future studies could examine these conflicting notions using a larger sample size.



Numerous empirical investigations supported the bidirectional link depicted in the conceptual model. However, there is insufficient data to demonstrate that these advantages are substantial assets for family enterprises. Additional quantitative, longitudinal studies will be required to establish this link.

Sharma and Vredenburg (1998) investigated the relationships between environmental tactics and the development of capabilities, as well as the nature and competitive consequences of any emerging skills (p. 730). While these writers claim that ES delivers multiple advantages and a positive return on investment for the firm, not all of these benefits can be classified as assets or competitive capabilities.

ES is not always capable of leveraging or generating resources. These scholars state that in order for a benefit to be deemed a resource, it needs to exhibit certain characteristics.

Their competitive advantage stems from their enigmatic nature, which is built on social complexity and a strong organisational foundation. They are generally invisible..., rely on tacit learning..., and are very difficult for competitors to recognise and duplicate... Typically, these talents do not have a clear owner and are not traded on factor markets. Their trajectory is determined by a combination of various organisational behaviours and cumulative learning over time. They may be employed throughout a company's multiple divisions and levels. (Sharma & Vredenburg, 1998, p. 735)

Thus, Sharma and Vredenburg (1998) empirically discovered capability for stakeholder integration (the ability to establish trust-based collaborative relationships with a diverse range of stakeholders); capability for higher-order learning (by exposing proactive company managers to a variety of external influences, which sparked shared learning processes); and capability for continuous innovation (which led to a changing experiential base of organisational activities, routines, and goals) as some of the resources generated by ES. I did not find significant evidence from the empirical studies for such benefits received from ES engagement. However, the participants in the case studies clearly explained a bundle of social emotional and economic benefits that family members expect from engaging in ES activities.

In summary, I believe I can confidently assert that not all of the resources in the conceptual model can leverage or produce resources. Additional research, particularly in the context of family businesses operating in a single sector, which collects more longitudinal data from a large sample may be necessary to develop this proposition further.

#### **5.2.4 A new concept emerges when presenting the study on value transmission: continuity of environmental legacy**

The continuity of environmental values legacy emerged as a novel idea in the thesis. Manuscript 3 was mainly focused on understanding environmental values socialisation, transmission, and the possibility of legacy continuity in the family business. As discussed earlier, Manuscript 3 involved a combination of qualitative content analysis of company websites and multiple case studies. Qualitative content analysis of corporate websites paves the way for the case studies. First, the content analysis helped construct the semi-structured interview questions used in the case studies. Additionally, during the content analysis phase, the coding necessary for data analysis was produced, and comparable coding was applied in the case studies. The case studies delved further into the transfer of environmental values and legacy continuity since it is difficult to decipher such topics from the material revealed on corporate websites. The combination of data from both qualitative processes aids in understanding the process of socialisation, value transfer, and the potential of legacy continuation. A preliminary connection between these processes was created in a conceptual model (Manuscript 3, Figure 8). Future researchers might refine this model using a larger sample size and qualitative investigations.

The main contribution of this paper to theory is the introduction of the concept of “environmental values legacy” in the family business. The following section briefly discusses how this notion relates to wider concepts of family legacy and entrepreneurial legacy debates in the family business literature.

Family business are concerned continuing a legacy. Family legacy is the transfer of family values, culture, customs, and traditions over generations in the family company. This concept has been often explored in family literature in relation to the founder’s legacy, which is the process through which the founding owner's ideals and ideas are imprinted on company operations and guide the following generations of family members (Hunter and Rowels, 2005).

“Family legacies guide family firm behaviour, influence family firm decision making, and establish both material wealth and values that may be passed down to future generations” ((Nathan L Hammond, Allison W Pearson, & Daniel T Holt, 2016, p. 1210)

It should be noted that continuing a legacy is not the goal of all FBs. For example, Aronoff and Ward (1995) show that some parents tend to push their children away from business, and, instead encouraging education and professional careers after experiencing stress related to money and finance. Therefore, family legacy is also heterogeneous. Within family firms, the next generation can decide which element or elements of the legacy (values, traditions, accomplishments) to continue.

On the other hand, entrepreneurial legacies emphasise the transfer to the next generation of family members the original owners' innovative, imaginative, and risk-taking attitudes and behaviours. The founding generation took a risk by establishing a new firm and investing their financial, physical, and personal resources in the growth and development of the family business. They hope that, because of their entrepreneurial background, the following generation will have a similar aptitude, attitude, talents, and drive to succeed as entrepreneurs. Continuity does not necessarily mean adhering to the original owners' acts, but rather infusing the business organisation with change, development, and innovation, such as green innovation. Family businesses, on average, are less entrepreneurial, particularly when the founder quits. (Barbera, Stamm, & DeWitt, 2018)

As families expand, continuous adaptation and renewal are necessary to accommodate the increasing number of stakeholders/owners, providing a chance for the next generation to be recognised as entrepreneurs in their own right (Schwass, 2005). NxG entrepreneurship may offer the impetus necessary to establish and preserve a family firm's generative capabilities throughout the succession process (Zahra, 2005). Handler (1990) argued that the senior generation often must adapt their function as an entrepreneur in order to facilitate the role transfer for the next generation. This is echoed by Stamm and Lubinski (2011, p. 122) who assert that "every generation of entrepreneurs must make new decisions, explore new directions, and remain innovative." Entrepreneurship and family are inextricably linked when the entrepreneur can tap into an immediate pool of knowledge and resources within the family (Barbera et al., 2018).

Environmental value legacies, like family legacies and entrepreneurial legacies, examine how the next generation of family members may continue the founding generation's ES activities, as well as their potential to bring green innovations, new methods, processes, and practices

related to ES, or to start their own new ventures using organic or biodynamic practices. Environmental legacy continuity is crucial because it focuses on how the current generation will continue long-standing environmental initiatives in family companies while adhering to the founders' environmental ideals and values. However, most of the qualities associated with familial and business legacies are also associated with environmental values legacies. For example, environmental values legacies concern themselves with value transmission and knowledge sharing from generation to generation; communication and tolerance for intergenerational value differences may be necessary prerequisites for effective legacies to persist. Additionally, environmental legacy continuity implies that the following generation contributes fresh values, creativity, and development to the established means and methods of ecological preservation.

In summary, my thesis contributes to family business theory by generating new knowledge and evidence using empirical data in family logics, familiness, heterogeneities regarding ES, environmental values (formation, transmission, and legacy continuity), and methodological approaches through organisational narratives.

### **5.3 Practical implications**

This thesis has several practical implications. The first implication is in relation to the content of business websites. The material included in this thesis may be important for family business consultants, policymakers, online content developers, and/or family business managers who are responsible for directing and developing content for corporate websites. It is important to use content that demonstrates the unique characteristics of each family and to highlight how each family is connected to the natural environment through the use of family history, founding period, founding owners' profiles, introducing the next generation.

Company websites are important sources of information for internal stakeholders, such as young family members who read their parents' stories to develop a connection to their family businesses and an understanding of nature as an important component of the business's ability to sustain itself. This information about a family's unique characteristics will increase the credibility and trustworthiness of information received by external stakeholders such as customers and partners.

Rather than focusing on developing standardised websites and technical content that describe the firm's ES engagement in a manner comparable to that of a non-family firm, family firms can instead emphasise their social, emotional, and economic ties to nature, as well as the critical role of the next generation in carrying on their legacies. In summary, the information on the corporate website is important as a means of internal and external communication.

Additionally, this thesis may be important for future researchers to illustrate the growing importance of company websites as a data source because of the significant amount of qualitative information on families and their backgrounds.

Another practical implication could be the use of family heterogeneity and typologies. Family business consultants, policymakers, and other institutions interested in encouraging ES behaviour among family wineries can use the discussion about the heterogeneity of family firms and possible groups of family firms to tailor their motivation message or content to the unique logic that frames each firm's ethics, values, and culture. Rather than using the same message for all family businesses, they may craft messages that speak directly to the needs of the family (social, emotional, and economic). Additionally, family business typologies may be used to develop ES-specific strategy orientations and activities for family enterprises.

Family business consultants interested in promoting a sustainable family company may find this thesis to have some practical implications. For instance, they may utilise knowledge on legacy continuity to enlighten the family company leader about the critical nature of frequent communication with younger generations in order to preserve the family firm's environmental values heritage. Additionally, family company owners/founders may offer an early opportunity for their children to observe the interaction between the family business and nature, as well as participate in ES activities. These early actions on the part of the founder may encourage and urge future generations to take over the family company and operate it sustainably. Additionally, family company owners/parents may recognise that early environmental values transmission and role modelling of anticipated environmental behaviour are critical components of sustaining a successful environmental legacy in the family business.

## **5.4 Limitations**

Despite the study's substantial contributions, the conclusions are constrained by a number of variables. Most of these constraints are related to the data collection techniques, sample size, study environment, and analysis. It is critical to note that the division of this thesis into three distinct manuscripts allowed the researcher to decrease the overall thesis's limitations by overcoming some of the limitations of one study by using different tools in a subsequent study. For example, a significant restriction associated with qualitative content analysis is the reliability and validity of self-reported data or content. This constraint has been addressed by using multiple case studies, which enable a more in-depth understanding and the acquisition of primary data. Additionally, one of the major limitations of multiple case studies was a lack of access to enough interviews and case studies with a single industrial emphasis, limiting the generalizability of the study results. However, these constraints have been somewhat resolved by a qualitative study of 72 family business websites in New Zealand. Thus, the thesis has significantly reduced its limitations in general.

## **5.5 Future research possibilities**

The current study leads to several areas for future research on family values and ES.

Using primary, qualitative, or quantitative data, the conceptual model presented in Chapter Two / Manuscript 1 may be further investigated. The relationship between the ethics, values, and culture of family businesses, as well as their ability to produce moral capital, might be investigated further. More research may be done to determine if ES engagement leads to moral capital, the potential for moral capital to improve company values, and easy access to additional resources like as human capital and investment capital. Future studies might look at the capacity of ES activities to develop and leverage resources for the family company. Longitudinal data from a larger sample might help with this.

Regarding Chapter Three / Manuscript 2, future researchers should look at how heterogeneities could be used to better improve the typologies presented in this work, and combine these typologies with other case studies to further establish their properties. In this manuscript, I also discovered that the next generation, as well as the benefits of engaging in ES (social, emotional, and economic) activities, act as sources of heterogeneity in family firms. Future researchers

can investigate how next generation involvement in social and ES activities leads to heterogeneity among family firms.

The level to which a person is emotionally, economically, and socially attached to the natural environment determines how engaged they are with it, as shown in Chapter Four / Manuscript 3. The contextual characteristics of the study units may be controlled for or considered in future research. Comparing values, for example, will be meaningless unless the environment in which each person socialises their views is well understood and articulated. In terms of primary socialisation, a research method that allows for primary data collection could lead to a better understanding of parents' involvement in their children's socialisation. Authors such as Jaskiewicz and Dyer, 2017; Silverstein and Bengtson, 1997; and others have proposed the intergenerational solidarity model. These authors have presented a five-dimensional model, which includes structure, association, affect, consensus, and function, to discuss the relationship between two generations in the family business, particularly in terms of social and psychological development in small groups like family businesses. As a result, future researchers can consider using this model for similar research discussions.

Regarding Chapter Four / Manuscript 3, future research also can further investigate the propositions presented under environmental values formation, transmission, and legacy continuity. Also, future studies could examine the continuity of an environmental legacy in family businesses by investigating the connection between the founding and the next generation of family members regarding the natural environment. There may be opportunities to further explore environmental legacy continuity in FBs using mixed method studies and a larger sample.

There are also opportunities in determining how family history and life events influence ES decisions and the direction of family firms. Recently, family business scholars have called for more research that uses organisational narratives to understand behaviour. Future researchers at the intersection of ES and FB may use family narratives, historical events, and stories to understand the social and psychological context to understand ES engagement. Future researchers can also investigate developing a link between the socialisation and resocialisation of environmental values with growth cycles and organisational change. In the context of family businesses, the organisational change could result from changes in the nuclear family (children get married, migration, and having young children). Family business researchers can focus on

understanding how the changes in the nuclear family and the extended family impact the ES decisions and actions of family firms.

The selection of the unique context (the New Zealand wine industry) enabled an in-depth understanding of the environmental disclosure of those family firms related to the family influence in terms of the founding period, founders, next generation, and family firms, which are uniquely embedded in a particular geographical location, and socially and economically dependent on the natural environment and the local community for survival. Therefore, our research contributes to the extant discussion on ES and family firms by highlighting those environmental values and priorities that are developed relative to the context within which individuals interact with the natural environment. Future research can extend this to other industries. The findings from Manuscript 3 can be replicated with a larger sample, with more case studies from different industries and different cultural contexts. An industry-wide survey can be used to test the propositions developed in this paper. Also, future researchers can consider national cultural variables to study this topic area, and how they impact family values and the bond between parents and children.

Finally, future researchers can study early childhood exposure to the family business and nature interaction, and the impact of this exposure on the personal environmental values that the next generation develop during adulthood (including re-socialisation). For example, future research can question what type of childhood experience led to the values associated with the natural environment (social, emotional, or economic)?

I believe that there are still ample opportunities to explore the ES of family firms. I conclude this thesis with the humble wish that by generating knowledge that is useful for business organisations to change or improve their strategies relating to ES, we can actively contribute to help the nature that we all treasure.



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# Co-Authorship Forms

## Co-authorship form -Manuscript 1

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Please indicate the chapter/section/pages of this thesis that are extracted from a co-authored work and give the title and publication details or details of submission of the co-authored work.

**Chapter 2/ Manuscript 1:** How and why are family firms different? Environmental Sustainability in Family Businesses (Structured Literature Review)

Nature of  
contribution by  
PhD candidate

Did the literature search, screening, analysis, develop a conceptual model, and writing the submitted document for the journal under the guidance of primary supervisor and the supervisor.

Extent of  
contribution by  
PhD candidate (%)

75%




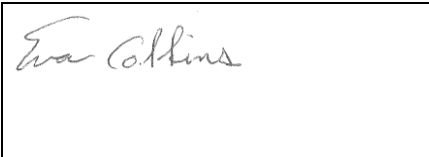
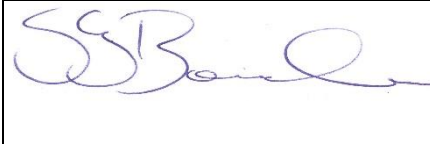
## CO-AUTHORS

Name	Nature of Contribution
Associate Professor Eva Collins	Contributed to the conceptual model, replicated the structured review, polished the whole article and advised through the process as the primary supervisor and a co-author. Contributed 20% of the submitted work for the journal.
Dr Steve Bowden	Contributed to the initial versions of the paper that was presented previously in academic conferences, has advised as the co-supervisor and a co-author of this article. Contributed to 5% of the submitted work for the journal.

### Certification by Co-Authors

The undersigned hereby certify that:

- ❖ the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Nishanthi Kariyapperuma		22 June 2021
Associate Professor Eva Collins		22 June 2021
Dr Steve Bowden		22 June 2021

## Co-authorship form -Manuscript 2

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Chapter Three/ Manuscript 2: Family Logics and Environmental Sustainability: A Study of the New Zealand wine industry

Nature of  
contribution by  
PhD candidate

Did the qualitative content analysis of 72 family businesses, conducted data analysis, developed figures and tables, and wrote all sections of the published document under the guidance of primary supervisor and the co-author.

Extent of  
contribution by  
PhD candidate  
(%)

80%


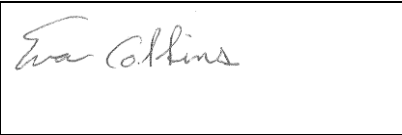
## CO-AUTHORS

Name	Nature of Contribution
Associate Professor Eva Collins	Contributed to the conceptual ideas, organisations of the sections, polished the whole article, proofread and edited the document and advised through the process as the primary supervisor and the co-author. Contributed 20% of the submitted work for the journal.

### Certification by Co-Authors

The undersigned hereby certify that:

- ❖ the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Nishanthi Kariyapperuma		22 June 2021
Associate Professor Eva Collins		22 June 2021

Co-authorship form -Manuscript 3

This form is to accompany the submission of any PhD that contains research reported in published or unpublished co-authored work. **Please include one copy of this form for each co-authored work.** Completed forms should be included in your appendices for all the copies of your thesis submitted for examination and library deposit (including digital deposit).



Please indicate the chapter/section/pages of this thesis that are extracted from a co-authored work and give the title and publication details or details of submission of the co-authored work.

Chapter Four/ Manuscript 3: They look like us, but will their values look like ours?  
Environmental values transmission in family businesses

Nature of contribution by PhD candidate	Conducted two qualitative methods to gather data for the publication, conducted data analysis, developed figures and tables, and wrote all sections of the published document under the guidance of primary supervisor and the supervisor.
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Extent of contribution by PhD candidate (%)	75%
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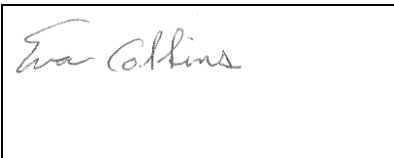
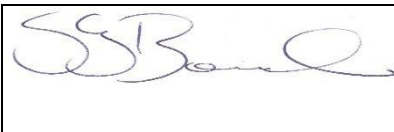
## CO-AUTHORS

Name	Nature of Contribution
Associate Professor Eva Collins	Contributed to the conceptual ideas, data collection, organisations of the sections, polished the whole article and advised through the process as the primary supervisor and a co-author. Contributed 15% of the submitted work for the conference and the paper development workshop.
Dr Steve Bowden	Contributed to the conceptual ideas, organisations of the sections, polished the whole article and advised through the process as the supervisor and a co-author. Contributed 10% of the submitted work for the conference and the paper development workshop.

### Certification by Co-Authors

The undersigned hereby certify that:

- ❖ the above statement correctly reflects the nature and extent of the PhD candidate's contribution to this work, and the nature of the contribution of each of the co-authors; and

Name	Signature	Date
Nishanthi Kariyapperuma		22 June 2021
Associate Professor Eva Collins		22 June 2021
Dr Steve Bowden		22 June 2021

## Appendices/Chapter Two - Manuscript 1

### Appendix 1: ProQuest management search

Steps	Search: ProQuest	Results
Key search terms	family business OR family firm OR family owned OR family centred AND environmental OR sustainable OR green OR ecology OR proactive OR proenvironmental OR conservation	3,187,727
Limit to	Full text Peer Reviewed Journals	115,294
Source type	Scholarly Journals	113,013
Subject: Thesaurus Term/	Family-owned business enterprises	2,784
Limit to – document type	Language English Articles	1241
Limit to – subject for the second time	From the list of subjects under the subject “family- owned enterprises” (2784 articles), we include only the following subject words that may associated with the key search term “environmental sustainability”.  social responsibility, values, sustainability, business ethics	140

## Appendix 2: Scopus search results

Steps	Search: Scopus	Results
Basic Keywords search in SCOPUS, all fields.	ALL ("family business" OR "family firm" OR "family owned" OR "family centred" AND "environmental" OR "sustainable" OR "green" OR "ecology" OR "proactive" OR "proenvironmental" OR "conservation" )	25966
Limit to document type, Publication stage Language Source type	Article  Final  English  Journal	17,881
Filter by subject area (limit by the subject area included in the next column)	Business, Management and Accounting,  Social Science  Economics, Econometrics and Finance  Arts and Humanities	12,222
Filter using key words directly related to "family"	(LIMIT-TO (EXACTKEYWORD, "Family Business" ) OR LIMIT-TO ( EXACTKEYWORD , "Family Firms" ) OR LIMIT-TO ( EXACTKEYWORD , "Family" ) OR LIMIT-TO ( EXACTKEYWORD , "Family Firm" ) OR LIMIT-TO ( EXACTKEYWORD , "Family Ownership" ) OR LIMIT-TO ( EXACTKEYWORD , "Family Businesses" ) )	1286
Further filtered with other key words. applied to environmental sustainability of family firms	AND (LIMIT-TO (EXACTKEYWORD, "Corporate Social Responsibility" ) OR LIMIT-TO ( EXACTKEYWORD , "Sustainability" ) OR LIMIT-TO ( EXACTKEYWORD , "CSR" ) OR LIMIT-TO ( EXACTKEYWORD , "Sustainable Development" ) OR LIMIT-TO ( EXACTKEYWORD , "Environmental Management" ) )	115

### Appendix 3: EBSCO (Business Source Complete)

Steps	Search: EBSCO	Results
Basic Keywords search in SCOPUS, all fields.	“Family business” OR “family firm” OR “family owned” OR “family centred” AND environmental OR sustainable OR green OR ecology OR proactive OR proenvironmental OR conservation	988,486
Limit to document type, Publication stage Language Source type	Article Final English Journal	23,896
Limit to	Academic journals	23,318
Limit to	Family-owned enterprises	587
Limit to subject words	All the key words selected, except literature review, married couples, and education	184



## Appendix 4: Additional articles

Number	Authors	Focus areas
1	Block, J., & Wagner, M. (2014).	Ownership versus management effects on corporate social responsibility
2	(Cambra-Fierro et al., 2008)	Environmental respect, ethics and family business objectives
3	(Craig & Dibrell, 2006)	The natural environment, innovation and firm's performance
4	Carlsen, J., Getz, D., & Ali-Knight, J. (2001).	The environmental attitudes and practices of family businesses
5	(De Steur et al., 2020)	Drivers, sustainable practices, SMEs
6	Campopiano, G., & De Massis, A. (2015)	Corporate Social Responsibility Reporting, family firms
7	(Dibrell et al., 2015)	Natural environmental competency
8	(Huang et al., 2014)	Proactive environmental management and controlling family
9	(Kearins, Collins, & Tregidga, 2010)	Environmental management, visionary small companies
10	(Kim et al., 2017)	Green washing
11	(Neubaum et al., 2012)	Balancing natural environmental concerns
12	(Samara et al., 2018)	The environmental social performance of family firms
13	(Sánchez-Medina, Díaz-Pichardo, Bautista-Cruz, & Toledo-López, 2015)	Environmental compliance
14	(Tyler et al., 2020)	Environmental practices

## Appendix 5: Sample distribution among journal outlets

Journal outlets	N.of papers	Citations
Family Business Review	2	(Craig & Dibrell, 2006; Marques et al., 2014)
Journal of Family Business Management	4	(Aoi et al., 2015; Canavati, 2018; Esparza Aguilar, 2019; Kuttner et al., 2021)
Journal of Family Business Strategy	6	(J. Block & M. Wagner, 2014; Breton-Miller & Miller, 2016; Cabeza-García et al., 2017; Madden et al., 2020; Neubaum et al., 2012; Samara et al., 2018)
Business & Society/ Business and Society Review	2	(Anwar & Clauß, 2021; Kearins et al., 2010)
Business Strategy & the Environment	12	(Adomako et al., 2019; Arena & Michelon, 2018; J. H. Block & M. Wagner, 2014; Cordeiro et al., 2020; Dal Maso et al., 2020; Dangelico et al., 2019; De Steur et al., 2020; Doluca, Wagner, & Block, 2018; I. M. García-Sánchez, Martín-Moreno, Khan, & Hussain, 2021; Knight, Megicks, Agarwal, & Leenders, 2019; Nadeem et al., 2020; Yu et al., 2021)
Corporate Governance/ Corporate Governance International	2	(Rees & Rodionova, 2015; Sheela Devi, Je-Yen, & Rajangam, 2016)
Corporate Social Responsibility and Environmental Management	2	(López-González, Martínez-Ferrero, & García-Meca, 2019b; Venturelli, Principale, Ligorio, & Cosma, 2021)
Journal of Cleaner Production	5	(Broccardo & Zicari, 2020; Campopiano, Rinaldi, Sciascia, & De Massis, 2019; Fan et al., 2021; López-González et al., 2019a; Martínez-Ferrero, Rodríguez-Ariza, & García-Sánchez, 2016)
Journal of Global Responsibility	1	(Drake, 2018)
Journal of Sustainable Tourism	2	(Carlsen et al., 2001; Kallmuenzer, Nikolakis, Peters, & Zanon, 2018)
Organisation & Environment	2	(Kim et al., 2017; Tyler et al., 2020)
Social Responsibility Journal	8	(Ain, Adhariani, & Djakman, 2019; Giovanna Gavana, Pietro Gottardo, & Anna Maria Moisello, 2017; Hajawiyah et al., 2019; Izzo & Ciaburri, 2018; Kumala & Siregar, 2020; Oshika & Saka, 2017; Panicker, 2017; Rini & Siregar, 2020)
Sustainability (Switzerland)	15	(Cioca et al., 2020; de las Heras-Rosas & Herrera, 2020; Díaz-Aguilar & Escalera-Reyes, 2020; G. Gavana et al., 2017a, 2017b; Gavana, Gottardo, & Moisello, 2018; Hernández-Perlines & Rung-Hoch, 2017; Herrero, 2017; Li et al., 2020; Mahmood et al., 2020; Mikušová et al., 2020; Núñez-Cacho, Molina-Moreno, Corpas-Iglesias, & Cortés-García, 2018; Ryu & Chae, 2021; Sanchez-Famoso, Mejia-Morelos, & Cisneros, 2020; Wan-Hussin, Qasem, Aripin, & Ariffin, 2021)
Sustainability Accounting, Management and Policy Journal	1	(Iyer & Lulseged, 2013)
Business Ethics Quarterly	2	(Mitchell et al., 2011; P. Sharma & Sharma, 2011)

Journal outlets	N.of papers	Citations
Business Ethics: A European Review	1	(Fehre & Weber, 2019)
Journal of Business Ethics	30	(Aragón-Amonarriz, Arredondo, & Iturrioz-Landart, 2017; Astrachan et al., 2020; Barbera et al., 2020b; Bhatnagar et al., 2020; Bingham et al., 2011; Cambra-Fierro et al., 2008; Campopiano & De Massis, 2015; Choi, Hoje, Kim, & Moo Sung, 2018; Cui et al., 2018; De La Cruz Déniz Déniz & Suárez, 2005; Dekker & Hasso, 2016; Dibrell et al., 2015; Dou et al., 2017; Du, 2015; Duh et al., 2010; Egan, 2019; Fassin et al., 2011; Fathallah et al., 2020; Labelle et al., 2018; María de la Cruz Déniz & Ma Katuska Cabrera, 2005; Panwar, Paul, Nybakk, Hansen, & Thompson, 2014a; Peake et al., 2017; Sánchez-Medina et al., 2015; Ann Terlaak et al., 2018; Uhlaner et al., 2012; Vallejo & Langa, 2010; Wagner, 2010; Walker, Ni, & Huo, 2014; Zientara, 2017)
International Journal of Business Ethics in Developing Economies	1	(Ang, 2013)
Administrative Science Quarterly	3	(Bansal et al., 2018; Berrone et al., 2010; Parra-Domínguez, David, & Azevedo, 2021)
Asia Pacific Business Review	1	(A. Kim & Lee, 2018)
British Food Journal	1	(Iaia et al., 2019)
Business & Management Studies: An International Journal	1	(Yazici et al., 2018)
Business History	2	(Rey-Garcia & Puig-Raposo, 2013; Walton, 2014)
Chinese Management Studies	1	(Zhou, 2014)
Corporate Ownership and Control	1	(Abdullah, Mohamad, & Mokhtar, 2011)
Emerging Markets Finance and Trade	1	(Wu, Lin, & Wu, 2014)
International Journal of Contemporary Hospitality Management	1	(Ertuna, Karatas-Ozkan, & Yamak, 2019)
International Journal of Hospitality Managemen	1	(Singal, 2014)
International Journal of Organisational Analysis	1	(Singh & Mittal, 2019)
The International Journal of Sociology and Social Policy	1	(Abdelhalim & Amani Gamal, 2019)
Journal of Applied Business Research	1	(Elbaz & Laguir, 2014)
Journal of Asia Entrepreneurship and Sustainability	1	(Wisker, Rosinaite, & Muniapan, 2019)

<b>Journal outlets</b>	<b>N.of papers</b>	<b>Citations</b>
Journal of Asian Finance, Economics and Business	1	(Erawati, Sutrisno, Hariadi, & Saraswati, 2021)
Journal of Business Research	2	(Nekhili et al., 2017; Yáñez-Araque et al., 2021)
The Journal of Business Strategy	1	(Jayakumar, 2017)
Journal of Corporate Finance	1	(Abeysekera & Fernando, 2020)
Journal of Management and Organisation	2	(Du, Zeng, & Chang, 2018; Sanchez-Famoso, Maseda, & Iturralde, 2017)
Journal of Management History	1	(Leoni, 2017)
Journal of Management Research	1	(Maheswari, Kavitha, & Nandagopal, 2018)
Journal of Organisational Change Management	1	(Abdul-Nasser et al., 2018)
Journal of Risk and Financial Management	1	(I.-M. García-Sánchez, Rodríguez-Ariza, & Granada-Abarzuza, 2021)
Journal of Small Business and Enterprise Development	1	(Martinez-Ferrero, Rodríguez-Ariza, & García-Sánchez, 2017)
Journal of Small Business Management	3	(Fitzgerald et al., 2010; Niehm et al., 2008)
Journal of Strategy and Management	1	(Lamb, Butler, & Roundy, 2017)
Management Decision	1	(Biswas et al., 2019)
Management Research Review	1	(Huang et al., 2014)
Symphonya	1	(Re & Giachino, 2018)
Technological Forecasting and Social Change	2	(Xiang, Zhang, Worthington, & Liu, 2020)
	<b>135</b>	

## Appendix 6: FBs vs nonFBs \*

	Variables used for the family and nonfamily comparison	Conclusion(s)
1	Socioemotional wealth (stock ownership, governance) (Berrone, Cruz, Gomez-Mejia, & Larraza-Kintana, 2010)	“Family-controlled public firms protect their socioemotional wealth by having a better environmental performance than their nonfamily counterparts (local level)” (p. 82).
2	Family involvement in the business and impact on the dominant coalitions attitude, norms and behavioural control (Sharma & Sharma, 2011)	“Dominant coalitions in firms with higher levels of family involvement in business are more likely to have stronger intentions to pursue a proactive environmental strategy” (p. 311).
3	Impact of ES orientation on firm’s performance outcome. How family status and firm age can moderate the above relationship. (Adomako et al., 2019)  CSR actions will be reflected to a greater extent in FBs economic results. (Yáñez-Araque, Sánchez-Infante Hernández, Gutiérrez-Broncano, & Jiménez-Estévez, 2021)	“The impact of ES orientation on firm performance is amplified for nonfamily firms, but not significant for family firms. The relationship is stronger among older firms than younger ones. Loyalty and trust appear to hamper their ability to embed routines and processes that could equip them to accrue the full benefits of sustainability orientation” (p. 1256).  “When making equal commitments to CSR, family MSMEs (micro-, small- and medium-sized enterprises) obtain a greater impact on their economic performance arising from CSR actions than nonfamily MSMEs” (p.581).
4	The firm's life cycle stage. Socioemotional wealth used to differentiate between family and nonfamily firms. (Arena & Michelon, 2018)	“Family firms for which family control and influence over socioemotional wealth dimension is most salient, provide less environmental information than nonfamily firms and this effect is weakened along the family firm's life cycle (p. 1597).
5	Governance contingencies on CSR- socioemotional wealth, agency theory (Biswas, Roberts, & Whiting, 2019)	“Family firms’ CSR reporting levels are significantly lower than nonfamily firms, and this effect is stronger after the change in the CG Guidelines. CEO duality, the presence of an audit committee and profitability improve family-firm CSR reporting in Bangladesh, while nonfamily CSR disclosures are positively associated with board size and firms’ competition” (p.2758).
6	Training and development practices (Dal Maso, Basco, Bassetti, & Lattanzi, 2020)	“We provide evidence that FBs have competitive disadvantages regarding human resource management. Our study shows that listed family firms are penalized (at least in their environmental performance) for being family-owned” (p. 1558).
7.	Approach to green innovation (Dangelico, Nastasi, & Pisa, 2019)	“Family and nonfamily firms are similar with regard to green innovation characteristics, features of the green innovation process, faced challenges, and achieved outcomes. Family firms differ from nonfamily firms in three key areas: firm's

		motivations, most relevant pressures, and green innovation view” (p. 1433).
8	Firm-level natural-environment-related policies on innovation and financial performance (Craig & Dibrell, 2006)	“Family firms are better able to facilitate environmentally friendly firm policies associated with improved firm innovation and greater financial performance more effectively than their nonfamily competitors” (p. 275).
9	The legitimacy of CSR actions (Panwar, Paul, Nybakk, Hansen, & Thompson, 2014)	“Legitimacy accorded to social and environmental performance actions of family-owned companies would be higher relative to that accorded to social and environmental performance actions of publicly traded companies” (p. 481).
10	Family influence (Campopiano & De Massis, 2015)	“In comparison to nonfamily firms, family firms disseminate a greater variety of CSR reports, are less compliant with CSR standards and place emphasis on different CSR topics” (p. 512).
11	The strength of the firms’ social embeddedness (Dekker & Hasso, 2016)	“Family firms have a lower environmental performance focus than nonfamily firms. However, in cases where the firm is highly embedded in the social community, family firms have a higher environmental performance focus” (p. 294).
12	Family ownership, Management experience (Esparza Aguilar, 2019)	“The results show that family firms develop CSR practices to a higher extent than nonfamily ones, mainly on environment and societal dimensions and when the manager/owner has more years of experience in the business, has a higher university education and the size of the business is larger” (p. 40).
13	Pollution prevention strategy: Founder CEO, Regulative pressure, institutional factors (Fan et al., 2021)	“Family firms underinvest in pollution prevention strategy relative to nonfamily firms, particularly when the Chief Executive Officer (CEO) is not the firm’s founder. Regulatory pressure weakens the negative effect of family ownership on pollution prevention strategy, whereas institutional support strengthens this main effect” (p. 1).
14	The effect of competing stakeholders demands (Neubaum, Dibrell, & Craig, 2012)	“Family firms can benefit more when they match their concern for natural environmental stakeholders with a demonstration of concern for their employees” (p. 28).
15	Family reputation, socioemotional wealth, sustainability disclosure (Gavana et al., 2017b)	“Family firms are more sensitive to media exposure than their nonfamily counterparts and family control enhances sustainability disclosure when it is associated to a family’s direct influence on the business” (p. 16).
16	Firm’s identity orientation (Bingham et al., 2011)	“Family firms adopt a more relational orientation toward their stakeholders than nonfamily firms, and thus engage in higher levels of corporate social performance.” The higher the level of family or founder involvement within a family firm, the greater the level of corporate social performance toward specific stakeholders. ” (p. 566).
17	Socioemotional wealth (Zientara, 2017)	“While it might well be true that any enterprise—be it family or nonfamily one—can carry out socially responsible practices

		related to external stakeholders and, simultaneously, act irresponsibly towards internal stakeholders, it is family firms that are more likely to do so due to concern with socioemotional wealth and its ambiguous nature” (p. 195).
18	The effect of earnings management practices (Gavana, Gottardo, & Moisello, 2017a)	“Family firms, in instances of downward earnings management, are more prone to diverting attention from these practices by means of CSR disclosure, compared to nonfamily firms, although the level of family ownership exerts a moderating effect. Moreover, a firm’s visibility, in terms of size, significantly enhances this behaviour and that the effect is higher for family firms” (p. 1).
19	CSR comparison (Yazici et al., 2018)	“The results have showed that nonFBs outperform FBs on CSR. ...results show that FBs are reluctant to CSR concern” (p. 256).
20	The level of family control and the governance orientation of the country (Labelle, Hafsi, Francoeur, & Ben Amar, 2018)	“Family firms exhibit lower corporate social performance (environmental practices) than nonfamily firms” (p. 511).
21	Ownership structure and age (Madden, McMillan, & Harris, 2020)	“While family firms are more likely to invest in CSR activities than nonfamily firms, we found that as family firms age, this changes. In fact, as family firms age, they become more selective and invest less heavily in CSR activities” (p. 1.)
22	Environnemental management practices (Uhlener et al., 2012)	“The pressure of family stakeholders, the embeddedness of the family firm in the community, and the potentially greater visibility of family firms relative to other small businesses in the community, mean family firms are more likely to engage in environmental management practices” (p. 414).

\*Includes representative sample of papers

## Appendix 7: Heterogeneities among FBs\*

	Antecedent	Heterogeneity
1	Socioemotional wealth (Arena & Michelon, 2018)	“To the extent that different types of family-controlled firms have different reporting behaviours based on their primary SEW dimension, they will undertake the ED strategies that allow them to preserve their socioemotional wealth” (p. 1597).
2	Ethics, values (Pedro Vazquez, 2016)	“Family firms are heterogeneous and biographical characteristics are independent of different approaches to social responsibility” (p. 696).
3	The cost benefits the family firm expects to achieve through disclosing environmental information (Ann Terlaak, Seonghoon Kim, & Taewoo Roh, 2018)	“...the potential for these benefits and costs to materialise varies across both firm internal attributes and external conditions, leading to heterogeneity in firm disclosure decisions” (p. 980).
4	Nature and intensity of spiritual belief of the family (Bhatnagar et al., 2020)	This study developed four typologies of family firms based on spiritually distinctive categories. “These distinctive factors are age, generation/s involved in business, presence (or absence) of a family champion with executive powers, presence (or absence) of professional support structures and personnel, and the level of family and business stability” (p.720).
5	Stakeholders’ orientation: individualistic, relational, collectivist (Bingham et al., 2011)	Authors have identified three categories of family firms based on different types of orientations: Those are firms with individualistic identity orientations, firms that adopt a relational orientation and firms that espouse a collectivistic orientation” (p.567).
6	Family ownership: organisational and family identity perspective (J. Block & M. Wagner, 2014)	“Family management (i.e., having a family CEO) and family ownership appear to have different effects on CSR concerns. Results show that in their role as owners, families seem to avoid CSR concerns, whereas the presence of a family CEO increases the level of CSR concerns. This finding can be explained by families’ different objectives as owners versus managers” (p. 343).
7	Ownership, management and generational stage of the family business (Dawson, Ginesti, & Sciascia, 2020)	“The level of legality emerges as a new additional criterion for family business heterogeneity. The group of FBs is characterised by significant differences among its members. The extent of family involvement and the generational stage, creates heterogeneous behaviours” (p. 8).
8	Differences in perception towards CSR benefits from CSR (competitive advantage) and family goals (de la Cruz Déniz Déniz & Suárez, 2005)	“The first cluster ... is mainly characterised as considering that the social action is not a source of competitive advantage and does not allow new legislation to be avoided. The second clusters consider the social implication is a source of competitive advantage and allows new legislation to be avoided. The third cluster .... consider that social implication is neither a source of competitive advantage, nor a way of avoiding new legislation” (pp. 35-36).



9	Managerial perceptions (Mitchell et al., 2011)	“Managerial perception on the heterogeneity of family firms in terms the preservation of socioemotional wealth through the pursuit of family centred noneconomic goals” (p. 248).
10	Percentage of family ownership, firm performance and family control (Oswald, Muse, & Rutherford, 2009)	“The results indicate a significant but negative relationship between family control and firm performance, higher the age of family members controlled the top management team, there was a strong inverse relationship with firm performance” (p. 127).
11	Socioemotional wealth, patterns of CSR engagement in family firms in terms of values (Marques et al., 2014)	“Different values have a different prevalence. The most easily found values were altruism and collectivism in general. Association of a higher family involvement with some of the values— and not others: it is the case that identification and commitment are easily found in the high involvement family firms and difficult to identify in the low involvement group (p 216).
12	The level of family involvement in management or control over voting rights and the governance orientation of the country in which they operate (Labelle et al., 2018)	“Family firms are heterogeneous and their social behaviour may differ: At lower levels of control, family owners invest more in social initiatives to protect their socioemotional wealth. Beyond a threshold, that we estimate at 36 % in our sample, economic considerations prevail over socioemotional wealth and social performance starts decreasing. Family firms operating in stakeholder-oriented countries are more attentive to social concerns than those operating in more shareholder-oriented countries” (p. 511).
13	A family firm’s decision to engage in Corporate Social Responsibility (CSR)(Madden et al., 2020)	“Our findings highlight the importance of studying the heterogeneity in firm-level investments in CSR as well as the impact of selectivity on their strategic investments” (p. 1).
14	Family involvement in the business influence on the attitudes, subjective norms, and perceived behavioural control of a firm's dominant coalition (Sharma & Sharma, 2011)	“The extent of family involvement in the ownership, management, and governance of the business can vary significantly from one family firm to another and within the same family. Therefore, the dominant coalitions' intentions to engage in proactive ES also varies” (p. 318).
15	Environmental drivers (internal and external) (De Steur, Temmerman, Gellynck, & Canavari, 2020)	“Sustainability clusters that differ significantly in terms of sustainability perceptions and drivers, adoption, and evaluation of practices, as well as company characteristics, e.g.: segmentation analysis identified low (30%) and high sustainability clusters (70%)” (p. 744).
16	Socioemotional wealth (grey side), management attention to CSR (Fehre & Weber, 2019)	“Family ownership positively affects management’s attention to CSR, mainly driven by founders and family foundations” (p. 321). “Heterogeneous ownership structures in family firms lead to SEW materialising differently and so cause different CSR strategies” (p. 322).
17	Socioemotional wealth frames work (Samara, Jamali, Sierra, & Parada, 2018)	The “[f]ollowing typologies were identified. Typology 1) the combination of 100% family ownership, first generation leadership, high family presence on the board, and low family involvement in management; and Typology 2) the combination of 100% family ownership, first generation leadership, high family involvement in management” (p 32).

\*Includes representative sample of papers

## Appendix 8: Associations between family logics, familiness, ethics, values, culture, and ES behaviour

	Article	Family logics	Familiness	Family firms	Environmental sustainability  (Behavioural outcome)
1	(Arena & Michelin, 2018)	SEW (family control and influence and family identity dimensions)	Social ties, emotional attachment of family members to the family, family members' commitment to preserving the family image and reputation	Family's SEW becomes the key reference for family principals and they make decisions that preserve SEW.	Environmental disclosure practices and SEW.
2	(Astrachan et al., 2020)	Religious beliefs, values and faith of the family	Spiritual capital, spiritual leadership	The role religious values and spirituality play in the formation of organisational ethical practices in faith-led family firms and individual values.	Sustainable, ethical behaviour, resulting in organisational and family-related outcomes
3	(Barbera, Shi, Agarwal, & Edwards, 2020a)	Religious values (pray together, collective expression of faith)	Family cohesion, manifest in their leadership style, emotional closeness	Influence individual values, values of "security", and act as the value of tradition led to a common mission that increased the frequency of the family's interactions and emotional closeness.	Family firm's ethical behaviour
4	(Bhatnagar et al., 2020)	Spirituality: the moral dimension of SEW (family prominence, harmony, and continuity),	Spiritual capital	Ethical motivation: corporate philanthropic decisions and processes motivated by the objectives to	Family firm philanthropy

		represented by family members' spiritual beliefs		gain family prominence in society.	
5	(Bingham et al., 2011)	The level of family influence and founder involvement in family firms	Relational capital: a network of relationships with key stakeholders  Founders' personal investment in the family firm	The firm's voluntary actions to improve conditions with associated stakeholder groups. E.g., founders, who have significant personal investments in the firm may be particularly concerned about any decisions that might damage the reputation of the firm.	Corporate social performance
6	(J. H. Block & M. Wagner, 2014)	Family ownership	Strong family-firm identity fit (symbolic power)	The family firm values the satisfaction of key stakeholders who are critical for the achievement of firms' nonfinancial goals. Family members identify with their business when they perceive it as an extension of themselves and their family's unique history.	Different dimensions of CSR
7	(Cabeza-García et al., 2017)	SEW (family control and influence)	Social capital: family reputation, local community (well regarded by the community)  emotional capital: family members desire to preserve	SEW acts as a key frame of reference for family members when deciding whether or not to disclose information to the general public.	CSR disclosure

			family reputation, and goals.		
8	(Campopiano & De Massis, 2015)	Family involvement, SEW, nonfinancial goals	Relational capital: relationship with key stakeholders,  Social capital: family reputation	Family firms' culture that preserves SEW and family reputation, environmentally friendly policies and codes	CSR disclosure
9	(Canavati, 2018)	SEW, nonfinancial goals	Social, emotional capital, family reputation	Family firms to make decisions based on goals other than profit-maximization, and SEW act as a key reference point	Corporate social performance
10	(Cioca, Wehbe, Popescu, & Popescu, 2020)	Family ownership over shares, voting rights, decision-making power	Long-term commitment to sustainable business, harmony within the family and open communication	Family values guide the company.	The sustainability of the family (the family's ability to survive long term)
11	(Cui, Ding, Liu, & Wu, 2018)	Effect of family involvement (role played by CEOs' family memberships)	CEO, member of the controlling family, family firm's social legitimacy	Family firms can employ long-term incentives to encourage nonfamily CEOs to act in the interests of the controlling families to preserve SEW and thus enhance family firms' CSR performance.	CSR
12	(Dal Maso et al., 2020)	Family ownership (family block holders, family or nonfamily owners)	The dark side of family involvement: preferential treatment, parental altruism	Managerial practices devoted to providing training and development for the workforce; block holders can impose their logic at the managerial level, thereby affecting	Environmental performance

			Human capital: investment in training and development practices	environmental practices.	
13	(M. Dayan, P. Y. Ng, & N. O. Ndubisi, 2019)	Mindfulness, SEW dimensions	Interaction with stakeholders of the business, mindful behaviour, sensitivity, and adaptability of family firms.	A rich endowment that develops appropriate capabilities to produce sustainable products and processes. The dimensions of family members' identification with the firm and binding social ties influence capabilities, which lead to sustainable practices in family firms.	Environmental consequences in FBs
14	(de la Cruz Déniz Déniz & Suárez, 2005)	The family firm's orientation to CSR (family financial and nonfinancial objectives, culture)	Physical, financial resources the family is willing to invest for CSR activities	Family firms' ethics, values and culture depend on which objective the family wants to achieve. Cluster one family firms prefer financial objectives over nonfinancial objectives, so they have classic CSR.	Corporate social responsibility.
15	(Zientara, 2017)	SEW	SEW's ambivalent nature, therefore, can produce detrimental outcomes for stakeholders of family companies.  Company reputation	A reference point to investigate the family company's attitude towards social responsibility	Corporate social responsibility (CSR), SEW dimensions can be positively and negatively valanced, as well as make a distinction between the selective and instrumental approach to CSR and the holistic and normative one.

16	(A. Terlaak, S. Kim, & T. Roh, 2018)	SEW: family control	Family CEO influence in management and decision-making	SEW acted as a frame of reference when the CEO decided to disclose environmental information.	Voluntary disclosure of environmental performance information
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## Appendix 9: Family firm's ethics, values and culture \*

No.	Article	The focus of the research	Relation to corporate social and ES
1.	(Astrachan et al., 2020)	ES orientation: corporate culture.	“Family firms have a culture that is consistent with the promotion of strategic orientation such as environmental sustainability” (p. 1251).
2.	(Berrone et al., 2010)	SEW and corporate responses to institutional pressures (environmental pollution, pressure to have cleaner products): founder values.	<p>“Organisational decisions such as investments in pollution prevention may be driven not by processes of interest mobilization but by preconscious acceptance of institutionalized values or practices” (p. 83).</p> <p>“This variation in responses (institutional demand for the cleaner environment) is likely to be a function of who controls the organisation and how much the controlling party values achieving social worthiness apart from any economic gains” (p. 84).</p>
3	(Egan, 2019)	Sense-making, resource efficiency through sustainability reports: personal ethical values of family CEO.	“The “family” nature of this company was also central to explaining these developments, as it gave the CEO latitude to drive change which closely aligned with his ethical concerns and values” (p. 798).
4	(López-González, Martínez-Ferrero, & García-Meca, 2019)	Socioemotional endowment acting as the central reference point in family firms’ ethical decisions and actions towards ES.	“CSR activities may derive into a favourable reputation of the family firm, family members in the management team may be proud of the fact that they have taken the firm to a glorious status. On the contrary, if they do not achieve this ethical and responsible goal, they may feel ashamed of their managerial mistakes” (p. 1047).
5	(Peake, Cooper, Fitzgerald, & Muske, 2017)	How satisfaction with the community and the duration of the family in the community influences CSR: families set norms and values regarding socially accepted behaviour (p. 341).	“...social networks and close ties place social pressure on members to follow generally accepted norms and values” (p. 329). “In the family business context, values and norms held by the family are transferred from the family unit to the business and then disseminated from the family business to the community” (p. 329).
6	(Dibrell, Craig, Kim, & Johnson, 2015)	Organisational social consciousness.	“Organisational social consciousness positively strengthens the natural environmental competency to organisational innovativeness relationship” (p. 591).

7	(Dou, Su, & Wang, 2017)	How family ownership promotes proactive environmental strategy. The proactive environmental strategy used as the indicator of a family firm's ethical behaviour.	"...in terms of business ethics, it shows that both long-term orientation and family commitment are needed for a family-owned business to exhibit ethical behaviour" (p. 3).
8	(Du, 2015)	Corporate misconduct dressing in family firms (a dark side of familiness, where family influence in the business leads to unethical behaviour).	"...a positive association between environmental misconduct and corporate philanthropy, suggesting that the desire to obscure environmental misconduct may motivate corporate philanthropic giving" (p. 342).
9	(Duh et al., 2010)	How does the ethical climate of organisations reflect, in part, institutionalized societal norms? Family involvement provides different institutional context (caring culture) that promote family managers to care about wider society.	"The key stakeholders of the examined enterprises link their positive attitude towards ethical core values with the success of the enterprises" (p. 485). "Family enterprises are more caring than nonfamily ones (p. 486). "...the presence of the caring climate implies that societal norms require organisations to develop at least a minimal caring environment, which suggests that benevolence (utilitarianism) prevails in FBs (p. 486).

\*Includes representative sample of papers

## Appendices/Chapter Four - Manuscript 3



## Appendix 1: Steps of the process of data analysis -case studies

Steps	Process
<b>Step 1:</b> Formulate research question, focus and variables  Research Questions: See page 2	
<b>Step two:</b> Select cases	<p>The population of small and medium-size family businesses operating in the New Zealand wine industry.</p> <p>Based on theoretical sampling (Chetty, 1996; De Massis &amp; Kotlar, 2014; Eisenhardt, 1989), the theoretical categories were developed around the founders' transgenerational intention and the next generation's desire to join and run the family business. We selected four companies that can replicate four different scenarios that emerge from the initial content analysis: 1) founders with no transgenerational intention (Code: SC winery); 2) founders with transgenerational intention and children without any intention to take over the business (Code: FHD winery); 3) founders with transgenerational intention who are actively running the business along with the next generation and children with the desire to take over the business and are already a part of the actual business process (Code: CH winery); 4) founders with transgenerational intention who are nominally (consultant role) involve in the business and the next generation with the desire to take over the business and are already a part of the actual business process (Code: FO winery)</p>
<b>Step 3:</b> Design data collection techniques and methods	<p>We undertook interviews and archival documents from 4 FBs. The interviews were undertaken from November 2019 to September 2020. The observations were not allowed during most of the data collection period as COVID-19 restrictions were imposed. The interviews were conducted over the phone, and extra details were gathered through emails. Most of the qualitative data consisted of information published by the individual family firms, and for most SMEs, annual reports or sustainable reports were not available. Therefore, we relied on industry reports on SMEs and sustainability reports to get an insight into the industry (see Table 2 for more information).</p>

<p><b>Step 4:</b> Develop and change data collection instruments based on field experience</p>	<p>We maintained field notes along with the data collection to note what was happening in the research. For example, after an interview, the author wrote down the critical impression or the most prominent feature. The following is an extraction of a field note taken after the interview with FDH winery, founding owner;</p> <p>"Founding owner adhere to SWNZ mostly as legitimacy reasons, and he started to criticize the Sustainable Winegrower organisation implying a political agenda, and also the organic practices as not feasible for a small-scale business. As per the founder, he makes most ES decisions, and it involves planting wildlife and the vineyard. He agrees that his children have much stronger environmental values than his; even though his children are not interested in taking over the family business, they share their environmental concerns and introduce innovative ways to work with the natural environment. The founders emphasized the stronger environmental values of children, and does that imply that the children could have values different from their parents and influence parents' environmental values? Should we look into this aspect further in other case studies? ...."</p> <p>These field notes were then used to adjust the data collection methods. For example, after the first two interviews with the founding owners, the research team decided to ask an additional question from the next generation of their desire to continue the environmental values legacy of the founding generation.</p>
<p><b>Step 5: Data analysis</b></p>	<p>Following Pratt, Rockmann, and Kaufmann (2006) qualitative method of data analysis, a three-step process was applied to analyse the interview transcripts.</p> <p><b>Step one:</b> Creating provisional categories and first-order codes: selected contents of the interview transcripts, part of the written content from company websites that disclosed ES engagement of family firms, and other information about the founder, NxG, family history was selected, coded and categorized. After labelling the codes and constructing categories, the data was reviewed again to see which, if any, fitted each category (Fairclough &amp; Micelotta, 2013; Pratt et al., 2006).</p> <p><b>Step two:</b> Integrating the first order codes to create theoretical categories.: According to Pratt et al. (2006), this analysis stage allows researchers to understand variations amongst the sample units. As categories were consolidated, they became more theoretical and more abstract, i.e., moved from more open to axial coding.</p> <p><b>Step three:</b> Delimiting the theory by aggregating theoretical dimensions. Once generated, the categories' underlying dimensions were explored to understand how different categories fitted into a coherent picture. Using brainstorming and extant literature related to socialisation, we related categories to broader theoretical dimensions.</p>

	(Figure 1: Conceptualisation of environmental values is an example of the three-step process used to analyse the data).
<b>Steps Six and Seven:</b> Case analysis and searching for patterns	To achieve the research objectives and understand how a family business can create an environmental legacy, we used cross-case comparison, using the next generation profiles, the socialisation context of the founders against the socialisation context of the next generation, the intention of the founders to transmit the business to the next generation, the intention of the next generation to take over the business and environmental legacy continuity.
<b>Step Eight:</b> Hypotheses building and enfolding literature	We used extant literature on FBs, ES, values transmission, founders and the NxG, content analysis, and case studies to develop tentative propositions.

## **Appendix 2: Case summaries**

Pseudonyms have been used for the names of companies and individuals to preserve a level of anonymity. Information was obtained from the respective company websites, secondary information sources, and interviews.

### **Case Study 1: SC winery**

SC is a family-owned winery, which produces organic Gimblett Gravels wines in the Hawke's Bay area of New Zealand. The owners (husband and wife) took ownership in 2010 and converted the winery to organic production. SC has two vineyards in the Gimblett Gravels wine growing district. SC is a small-scale business with around 2500 cases (including several varieties) produced annually. Most of the operations are performed by the owners themselves. They do not have any full-time non-family employees. Instead, they recruit part-time employees on a casual basis to cope with seasonal demands.

The husband is the viticulturist and winemaker. He is originally from Ireland and has a background in chemical engineering. He gained a Certificate in Viticulture and Winemaking at Tairāwhiti Polytechnic in Gisborne after undertaking WSET wines and spirits courses in London. Before taking over at SC, he completed vintages in Burgundy and the Hawke's Bay and worked at vineyards on Waiheke Island.

His wife, the co-owner, handles business development and sales. She is a New Zealander who returned home in 2008 after spending ten years in London. Like her husband, she also has a WSET Diploma in Wines and Spirits and is a qualified lawyer in both New Zealand and England.

They have two teenage children and all live in the villa located in the family vineyard. The children help out with winery activities from time to time. Currently, the owners do not intend to transfer the business to the children. However, if the children want to join the family business later, they will not oppose their wishes. The parents follow an organic lifestyle, but they do not expect their children to do so. The parents use informal family gatherings such as mealtimes to discuss environmental sustainability topics, such as organic practices in their family vineyard etc. The parents believe that their children are aware of how organic practices occur in the vineyard.

The owners use traditional, hands-on methods to manage the vineyard. SC owners take great care to ensure the grapes harvested from the vineyards are of high quality. For example, most production processes, such as pruning, picking, and canopy management are carried out by hand. The owners are highly committed to organic practices. When they were looking for a business to invest in, they made sure that the vineyard they bought was in an area that was suitable for organic production. They reasoned, “If it is possible to do it organically, then why would you do it any other way?” The owners follow similar organic principles in their day-to-day lives. For example, they have eaten organic food for many years and source organic materials wherever they can.

A key motive for SC owners to consider an organic focus was as they lived at the vineyard, they wanted to avoid handling dangerous chemicals. The owners believe the market benefits or price premium obtained for organic production is minimal in the New Zealand context. Therefore, environmental decisions are mainly influenced by personal values. Consequently, the natural environment is one of the first things they consider in their business decisions and actions. For example, the owners firmly stated that their desire to stay small is partially to do with running an organic business.

Both the vineyards and the winery of SC are certified organic. Organic operations imply that the firm does not use herbicides or pesticides in the vineyards. For example, the business has invested in an under-vine weeder, which helps control weeds without chemicals. The owners also use a mechanical disk that assists with weed control, and in one of their vineyards, they have started to cultivate alternate rows. They always try to use any natural resources available. For example, during the winter months, sheep are used to keep weed growth down in the vineyards. They use compost and seaweed to improve the health of the soil and encourage beneficial insects by planting appropriate companion plants.

Water conservation and careful energy use are two of the leading organic practices carried out by SC. According to the company website, all wastewater from the winery is processed in a wastewater treatment plant, and clarified water is used to irrigate the vineyard. This means that wastewater goes back into the soil rather than being pumped off-site for treatment. As they do not use chemicals for cleaning, there is no risk of contamination of water sources such as lakes and streams located directly below the vineyards. Cooling water is reused in the winery.

SC is an energy-efficient operation. For example, the owners have recently installed several solar panels at the winery, which supply most of their energy needs. High-quality insulation means that heating is only required for short periods while the wines are undergoing malolactic fermentation. Winter cooling is achieved through natural ventilation. Maximising the use of natural lighting reduces the need for electric lighting.

## **Case Study 2: FHD Winery**

FHD wines, established in 1993, and which originated from the Waihopai Valley family vineyard, are situated on the Omaka River banks in Cowslip Valley. They have been growing grapes for the last 23 years. The valley has a unique microclimate within the Waihopai grape-growing area, where owners have recorded temperatures ranging from minus 14°C to 42°C. FHD is a very family-oriented, small vineyard where the founding owners believe the family-centred model is the best way to produce wines. Most of the operations are done by the owners themselves. They do not have full-time non-family employees and recruit part-time non-family employees (mostly French travellers or young travellers) on a casual basis when needed.

The name of the winery came from “hawk spotting”, as explained on the company website: “The name comes from a game which the children played riding to town, one or two were special, but to see four hawks was the best day possible” (Company website). According to the owners, the characteristics of the land, with its harsh growing conditions, brings out the flavour-filled character of the grapes, which they have captured, and produced as wine for their customers to enjoy.

They moved back to Marlborough from Auckland in 1993, with their 18-month-old daughter. They stated in the corporate website that: “We had the vision of bottling our wine one day”. FHD is a husband and wife run family business. The husband and owner of FHD left a career in the movie industry. His wife and co-owner have continued her career in nursing and tutoring. She helps in the vineyard whenever possible.

They have three children, and like their parents, they have practically grown up with the vines. The children help with many day-to-day activities in the vineyard and lend a hand during holidays. For example, the label image was painted by their daughter when she was just nine years old. The owners were proud to disclose that: “Our wine is made with child labour” on the company website.

The children are now young adults, with qualifications in areas not related to winemaking. According to the founding owners, currently, their children do not wish to take over the family business. Nonetheless, the children are strong in their determination to maintain the family vineyard and keep the property as a family inheritance. The children think *their* children will one day be able to enjoy a similar natural environment as they experienced growing up on the family estate. All three children have expressed strong values towards preserving the natural environment. The founding parents themselves believe that their children have stronger environmental values than themselves.

The founding period was very challenging. They twice lost the entire crop to frost, experienced two major floods, and faced occasional grassfires. Nevertheless, through all this, the family vineyard has continued to grow and currently covers over nine hectares or 23 planted acres. As the owners stated on their company website, “This wine for us epitomises determination in the face of adversity and finally marks the achievement of the dream that brought us here, even though we may be 18 years behind on a 5-year project!”. 2012 marked a new stage in the development of FHD as they started marketing their own single-vineyard Sauvignon Blanc wine.

During the early days of the business, the owners experienced economic and financial difficulties. The family adapted and used family resources, labour, and available natural resources to overcome resource constraints. The founding owners have a minimalistic lifestyle. They have encouraged the children to reuse or build items themselves if possible and only purchase as the last alternative. For example, the founder highlighted that most of the equipment was homemade during the vineyard’s establishment using available resources. He explains, “What I did with them is made sure that they had input into the design of equipment from a very young age. So, I would say to them, “We are trying to do this. We are going to make this. How would you make it?” And then, I would steer them and guide them to the correct way of making something to learn the process of starting with needing something to the finished product. Furthermore, that fuelled their interest in engineering, for instance, because they were able to watch me and help me build stuff that was needed.”

Two of the children currently studying engineering stated that they got their inspiration to become engineers from their parents, following their minimalistic lifestyle and what they experienced as young children. The founding owners believe that the most important values

that they have transmitted to their children include “values of being self-sufficient and independent.”

FHD is Sustainable Winegrowers New Zealand certified. According to the New Zealand winegrowers, “The SWANZ programme is a proactive management system that enables winegrowers to produce high-quality wine using environmentally responsible and economically viable methods.” Under this programme, members meet international guidelines for sustainability practices in the vineyard and winery. Some of SWNZ’s key focus areas include biodiversity, soil, water, air, energy, and chemicals. According to the owners of FHD, it is tough to function without being in sustainable wine growing. For example, most of the wineries require their suppliers to be sustainable winegrowers. Hence, sustainable certifications also affect the survival of FHD in the industry. The owners are very tightly constrained on chemical use, and SWNZ guides them toward a greener system.

The owner of FHD has mixed views about organic practices. According to the founding owner, being organic is not a practical option for a small, family-owned business. The owner explained it this way:

It is pretty damn impractical to try and make money or even survive by going organic. It is very, very difficult. Some have tried it, but they are losing much money because organic tends to be very labour intensive, such as getting rid of weeds and stuff like that. Moreover, some of the methodologies they use, such as getting rid of weeds, actually do more damage than one pack of Roundup or something like that because they damage the roots. It is complex.

### **Case Study 3: CH Winery**

The CH winery covers 22 hectares of a 51-hectare farm with the same name. The vineyard is farmed biodynamically, is certified organic, and registered with BioGro New Zealand. The vineyard is situated in the southern hills of Marlborough. CH is named after the farm that the owner grew up on and is built on family values and respect for the land. Its core philosophy is New World wine tempered with Old World style (NZwine.com). CH has been in the business for nearly 30 years.



CH is very much a family business. The owner runs the business with his family. Quoting from the corporate website, “CH is now home to our children and grandchildren. A herd of Red Devon cattle, swarms of bees, chickens, and the family dogs also call this place home.”

His wife has skills related to business management (sales, customer service, and marketing) and works in the administrative and marketing side of the operations. She qualified as a translator of French and Spanish while living in London. She loves the interaction with people from all around the globe who work at CH and works with the company’s global distributors and importers. She is a keen advocate of organic wine growing and the deputy Chair of Organic Winegrowers New Zealand (Company website).

The second generation, the owner’s two sons, are also actively involved in the family business. They are currently running the business. One of them is mainly responsible for sales and marketing, and is currently the vineyard manager. He was inspired by working in the family vineyard and recently obtained a Biological Sciences & Ecology degree at Victoria University. The other son joined the family business full time in 2019 and is the vineyard and winery production manager. He has a double degree in media and chemistry at Victoria University and has taken on the challenge of leading CH's vineyard and viticulture team. Both of them have travelled, lived overseas, gained international experience in the wine industry, and worked in a few countries before joining the family business. The founding owner intends to see that the commitment of his sons will be able to develop a sustainable family business that will go on for many generations to come.

The founding owner expressed strong ecological values, while the children emphasised product and process innovation and market expansion. The founding owners have a clear intention to transfer the family business to the second generation. There is a formal succession process in place, while the members of the second generation already occupy important positions in the family business. The founder-owner perceives that the values and priorities of the next generation are different, but formal and informal family meetings help them come to a consensus for matters regarding environmental sustainability. The founding owner is still the dominant decision-maker regarding environmentally sustainable engagement. His wife also participates in regular meetings to discuss environmental sustainability and other strategic decisions of the family firm.

The natural environment is a crucial aspect that attracted the family to the current property. Quoting from the company website, “The wonderful diversity of the property from its mature trees and native bush to the river bed and pasture land first attracted us to this special place.” The owner’s solid organic values and compassion towards the natural environment have imprinted every aspect of the business and led him to set up CH with organic roots, focusing on biodiversity and adopting biodynamic principles. The founding owner believes that the natural environment and environmental preservation is part of their (family) spiritual needs or values. As the owner stated, “Looking after the farm's biology, whether above or below ground, is part of CH's essence, from the soil microbiology to the birdlife and insects. The many elements of the property combine to create the spiritual essence of CH and the liquid expression of our place.” (Company website)

The founding owner’s ecological values come from his farming background and education in microbiology. He was a political activist in the early environmental sustainability development of Aotearoa, New Zealand. He has been working as a farmer and a winemaker for the last 30 years. Winemaking stems from the vineyard, and his primary role is managing the microbiology of soil and canopy and sharing his wealth of winemaking experience and knowledge with the next generation. He is the past Chair of the Biodynamic Farming Association of New Zealand.

Organic practices are vital to the family for many reasons. Mainly, the family members believe that biodynamic farming is the best farming philosophy to express the essence of their place. Further, as stated on the website, “The detailed nature of our farming results in healthy soils, healthy vines, and delicious wines.” CH has adopted an integrated, holistic farming system, modern-day biodynamics, which integrates microbiology (healthy soils and plant), Macro - biology (biological composition of the farm-animal, plants, insects, vines), cosmic biology (sun and moon have effects on lives), and spiritual biology (great wine-great place). The following paragraph extracted from CH's website emphasises their commitment and expectations following biodynamic and organic practices.

Biodynamic farming allows us to express our unique hillside vineyard site and its soil truly. We learn daily from our farm and seek ways to challenge ourselves and convention, experimenting with a traditional approach to winemaking to bring out the best from our vines. We firmly believe that the source of exceptional wines lies in the vineyard.

## **Case Study 4: FO Winery**

The FO winery is a small, family-owned, fully certified sustainable winery. It is situated just outside of Renwick, in Marlborough. The family has been making wines since the late 1980s.

The FO family has generations of farming experience in the Marlborough region. The founding owners (a husband-and-wife team) established the family business after successful scientific research and medical careers. For 30 years, FO won many awards and owned various labels and vineyards across the country. FO operates with a strong desire to create a sustainable family business for future generations. For the past four to five years, they have increased their engagement with environmental sustainability. The family policy is to leave the land better than how they found it.

The founding owner, Dr J.W., was born in 1955 and raised in Marlborough, New Zealand. With a PhD in neurophysiology, he decided to become a winegrower and returned to Marlborough in 1988 to establish FO Wines with his wife, Dr B.F. He is known for pushing the boundaries in New Zealand wine industry. For example, he is one of the pioneers in the use of screw caps and in the production of lower alcohol wines. Dr J.W. also was a founding member of the research group behind Botryzen - the first organic anti-botryticide now used widely in all vineyards to help reduce pesticide sprays. His family is from the Marlborough region and has been here for about six or seven generations. His family members have farmed the land for a very long time. Therefore, Dr J.W.'s core nature and values are simply that the land must be looked after so that they can continue to farm. He raised his children to encourage minimum use of chemical sprays and to use innovations to advance the industry.

His wife, the co-founder, Dr B.F, is involved in the day-to-day activities of the vineyard, winery, and administration. She has served 30 years as a medical doctor working in general practice, specialising in pregnancy care, birth, and families, later as a community geriatrician managing older people's physical and mental health, and currently in the Hospice sector, ensuring that people can live life fully to the very end.

They have three children, two sons and a daughter. As parents, they were supportive of the paths in life chosen by their children, which did not have to be in the wine industry.

Their eldest son is a marine scientist, while the younger one is a marketing manager for DB Breweries in New Zealand. The family is going through the succession planning stage in 2020

to pass the company over to the next generation within two years. This includes how they are rewarded and how they can split the company so it does not continue to be divided into smaller pieces, to ensure the family business will continue for generations. The family's ethos is to pass something on to the next generation in a better state than they received it. Each generation improves the business so that what they are passing on something workable and usable, and successful.

The daughter is actively engaged in the family business as the general manager and a winemaker. She studied at Otago University and was offered a PhD position at the Geography Department at Otago, but decided that she wanted to get into winemaking. She had applied to the University of Adelaide to the Waite program, a Winemaking and Viticulture and Oenology master's degree. She completed her masters in Oenology through the University of Adelaide. She then travelled, worked for two years in New Zealand in Central Otago, and spent the next five years between the Northern and Southern hemispheres gaining experience with different harvests worldwide.

With that experience, she moved back to Marlborough and became reacquainted with living in Marlborough and living near her own family. She joined the family business in 2015. Before joining the family business, she took a job with another small family business, Lawson's Dry Hills. Lawson's was a similar size to FO winery, and at the time, were also family-owned and operated. That was a way to get back to Marlborough and understand the region without coming straight home. The daughter brings with her a wealth of knowledge, vibrancy, youth, and an infectious passion for winemaking, continuing the innovative, cutting-edge, and sometimes-mad scientist theories that have made FO what it is today. She has strong ecological values, and these values are enriched with her concern for "family", including employees. She explains:

Everybody that works here is a part of your family. It matters not just what happens to you or the owners or the managers of the company. You manage it down to the last person at the bottom of the queue. That everyone here is just as important as one another. The land has to be left better than the way you found it. That is one of our family policies. Do better with the land.

She was an outdoor child who had the chance to spend time outdoors and observe the family business activities when growing up. She cherished the environment she had grown up in as a

child. According to her, the memories of her childhood, associated with her grandparents and parents, and other family members, are all connected with the natural environment. Therefore, she was involved in environmental sustainability with the family business, mainly to provide a similar natural environment for the next generation of her family members to enjoy.

She thinks that most of her environmental values come from her parents and grandparents. Nevertheless, all the activities, innovation, and processes regarding ES or other business activities are discussed with the entire family before making final decisions.

FO has practised sustainable activities from the very formation of the vineyard. FO is certified as a sustainable winegrower for all vineyard sites in Marlborough, Gimblett Gravels Hawke's Bay, Bannockburn and the Waitaki Valley in Otago, and has one Bio-Grow Certified Organic vineyard and is working on additional vineyards to obtain certification. One of the key motives that drive this family is their long-term embeddedness with the locality, Marlborough. As the GM states:

Mainly wanting to be here for a very long time. I think Marlborough, especially for us, holds a close place in our heart, being where our ancestors originated from as well. So, anything we can do to protect the environment we live in so that there are another 10 generations after us that continue to live in this part of the world and live comfortably and sustain themselves from the land. Whether that be simply growing and eating things, or growing businesses that allow you to fund families and generations to come.”

They do not believe in using 'sustainability' as a buzzword to make the business look better - they live and breathe it. From the vineyards to the processing plant to the very bottles themselves, every aspect has been considered with sustainability and minimal environmental impact in mind. Wildflowers are used to reduce insecticide use and selected crops are planted in their vineyards to encourage predatory bugs and reduce insecticide sprays. Winery waste products are recycled as fertiliser and irrigation water, and all cartons and bottles used on site are recycled.

They also use bio-diverse techniques, including side mowing, cover crops, and use under-vine mulch application to minimise the need for sprays and to improve soil quality. FO has invested in an energy-saving system to ensure they do not waste valuable energy resources. All winery waste product is recycled where possible and often used in the vineyards as fertiliser and irrigation water. FO uses lower weight bottles. The family converted parts of their vineyards to subsurface irrigation, giving the family firm at least 30 to 40% annual saving in water used

to irrigate the vineyards. They started that process in 2018 and the plan is to convert all the vineyards to the system by 2025.

As a small family, they face difficulties with financing these environmentally sustainable activities. However, they will convert every block year on year, instead of replacing irrigation with the same above-ground irrigation. Even with the disadvantages caused by the COVID-19 pandemic, the family still firmly hold into their long-term planning regarding environmental sustainability.

## Full ethical approval

**Special note:** This ethical approval also includes the approval for the nationwide survey. However, in the introduction chapter, I have explained how I had to change the approach to data collection due to a lack of response for the survey. The first phase of the current thesis is based on secondary data publicly available. Therefore, I kept the original full ethical approval as it includes the approval for the human contact related data collection. (The second part of the research, is based on in-depth interviews with case study participants.)

### *Application for Full Ethical Approval*

#### *Outline of Research Project*

**Waikato Management School**

Te Raupapa



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*Te Whare Wānanga o Waikato*

*Template:*

**Use clear and simple language. Avoid technical terms wherever possible.**

*Please allow **at least two weeks** for your application to be reviewed by the WMS Ethics Committee*

*You must gain ethics approval prior to the commencement of data collection for your research project*

*See How to fill out the form for guidance.*

### **1. Identify the project.**

### **1.1 Title of Project**

Founders' Personal Values and the Environmental Legacy of Multi-Generational Family Business

### **1.2 Researcher(s) name and contact information**

**Kariyapperuma Athukoralage Nishanthi Renuka Kariyapperuma**

Nishanthi Kariyapperuma

Dean's Office

Waikato Management School

University of Waikato

Mobile: 0212388586 Office: 7 838 4195 (Ext: 4662)

[nrk9@students.waikato.ac.nz](mailto:nrk9@students.waikato.ac.nz) / [Nishanthikariyapperuma@gmail.com](mailto:Nishanthikariyapperuma@gmail.com)

### **1.3 Supervisor's name and contact information (if relevant)**

**Chief Supervisor**

Eva Collins / Associate Professor

Associate Dean of Research

Dean's Office

Waikato Management School

University of Waikato

MSB.3.38B

**64 7 838 4083 / [Eva.collins@waikato.ac.nz](mailto:Eva.collins@waikato.ac.nz)**

### **Supervisor**

Dr Stephen Bowden

Academic Director, Work Integrated Learning

Dean's Office

Waikato Management School

University of Waikato

MSB 4.45

[64 7 838 4472](tel:6478384472) / [Stephen.bowden@waikato.ac.nz](mailto:Stephen.bowden@waikato.ac.nz)

### **1.4 Anticipated date to begin data collection**

In-depth interviews- End- June 2018

## **2. Describe the research.**

**2.1 Briefly, outline what the project is about including your research goals and anticipated benefits. Include links with a research programme, if relevant.**



The primary purpose of this study is to contribute to the family business (FB) literature by understanding the relationship between family business and the natural environment. Therefore, the research focusses explicitly on the social embeddedness and imprinting of founders' personal values in creating an environmental legacy in terms of natural environmental management process and practices (NEMPP) in the multi-generational family businesses operated in the New Zealand context. Marquis and Tilcsik, (2013) explained imprinting as the way how enterprises take on their founding environment (e.g. financial issues, family interactions and legal issues) and how these elements continue well past the founding stage. NEMPP refers to the process of planning, organising, decision-making, leading, and controlling of business functions involving the natural environment and incorporating such processes into the daily operational activities (practice) of the organisation.

This study seeks to:

- 1) Develop founders' personal value profiles related to NEMPP;
- 2) Understand the influence of family characteristics and founders' personal values over environmental practices;
- 3) Understand the transference of environmental values (between founders and the next generation of family members) and;
- 4) Explain the differences between FBs and non-FBs regarding NEMPP.

The proposed research is highly significant as it aims to guide family business consultants and family business owners in developing policies regarding family succession, goals of FBs, and NEMPP. Overall, the proposed study will open many future research opportunities and areas for further inquiries.

## **2.2 Briefly, outline your method.**

The research design is a combination of descriptive and explanatory methods. The research takes the form of a sequential, multi-phase design (Saunders, Lewis, and Thornhill, 2016). The researcher plans to use this method as it allows a dynamic approach to data collection, where one phase leads to the next step of data collection. According to Saunders et al., (2016) this method is both "interactive" and "iterative" (p. 171) and with

characteristics of initiation, facilitation, complementarity, generalisability, diversity, problem-solving, focus, and triangulation and confidence (p. 173).

- The first phase of the data collection is part of the continuation of a longitudinal, national survey (Collins & Roper, 2015), to understand the sustainability practices and trends of New Zealand businesses. The next iteration of the study has ethical approval. Two descriptive questions will be included in the questionnaire, in which the findings will be a direct source of data for the proposed research. The first question will focus on classifying FBs based on predetermined variables such as “controlling ownership of at least two family members on the board of directors”. The result of the question will enable the author to develop a database of FBs. The second question will lead to understanding the nature of NEMPP.
- The second phase is a qualitative analysis using in-depth interviews with randomly selected FB respondents to the survey. This phase is not aiming for results that are generalisable, but rather is a pilot study to develop the main survey questionnaire that will be conducted in the third phase of the research study.

The purpose of this document is to apply for ethical approval for the in-depth-interviews for the pilot study. The in-depth interviews will be carried out with the goal of understanding the influence of family and founders' personal values in determining the NEMPP of FBs and how the founders transmit their values across new generations.

Particular attention will be paid to:

- 1) Understanding the level of family involvement - ownership, governance, management and number of family members working in the family;
- 2) Family intention - temporal orientation, transgenerational nature and family values and culture;
- 3) The family's social interaction - neighbourhood, local area, networks. See sample Interview Guide for the list of interview questions.

The third phase will be a self- administered survey questionnaire with the intention of further exploring the findings of the first phase and second phase, from a much larger

sample of respondents. I will be applying for a separate ethical approval before this phase of data collection.

### **2.3 Describe plans to give participants information about the research goals.**

A participant information sheet (see attachment) will be provided to explain the goals and the nature of the study. In the survey, the questionnaire will query the willingness of the respondent to further participate as part of the research project. Furthermore, to ensure their willingness to participate in interviews, potential respondents will be contacted via e-mail or telephone. When e-mail is used, a copy of participant information sheet and a cover letter will be used. Further, the consent form (see attachment) for the interview will also be obtained through e-mail with a convenient schedule (time and place) for the respondent. In some cases, consent will be obtained verbally and included in the interview tape as evidence of consent.

### **2.4 Identify the expected outputs of this research (e.g., reports, publications, presentations), including who is likely to see or hear the reports or presentations on this research**

Expected outcomes of this research will include a doctoral thesis, academic journal articles, and conference papers. The doctoral dissertation will be available to interested parties from the University of Waikato Library. Published scholarly journal articles will be widely available to students, academic staff and subscribers to journals. The audience for conference presentations is likely to include academics, researchers, doctoral students and family business consultants, government bodies and FBs education institutes.

### **2.5 Identify the physical location(s) for the research, the group or community to which your potential participants belong, and any private data or documents you will seek to access. Describe how you have access to the site, participants and data/documents. Identify how you obtain(ed) permission from relevant authorities/gatekeepers if appropriate and any conditions associated with access.**

All interviews will be undertaken in the Waikato and Auckland. Personal contact will be made with each participant through e-mail and/or phone. First, I will contact the

respondents through email. Once the respondent agrees to an interview, the place of the interview will mainly depend on the interviewee's convenience, which can be his/her office, my office, or café that both of us agreed on. One of my supervisory panels will be with me during the interview. Their permission will be obtained in advance of the interview date to enter the interview location.

### **3. Obtain participants' informed consent, without coercion.**

#### **3.1 Describe how you will select participants (e.g., special criteria or characteristics) and how many will be involved.**

##### **Phase One: Nationwide Survey (Already completed)**

<b>Respondent</b>	<b>Characteristics</b>	<b>How many will be involved</b>
Business Organisations	All types of business organisations, classified as SBN and NNSBN and Family business and non-FBs.	More than 800 companies; out from the list of respondents, a separate database will be developed for the family business.

##### **Phase Two: Qualitative, In-Depth interviews (Pilot of the family business survey)**

Founders of original family business	FBs with many environmental practices and those with few or none. The classification will be based on the answers to the national sustainability survey, question 9(.	The numbers will depend on the respondents of the survey, and willingness to participate further in the research project. However, approximately 6 interviews will be conducted.
	FBs characterised as a multi-generational, operated mostly in industries with more significant impact on the natural environment (Agriculture,	

Wine, and beverages, Manufacturing,  
other)

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A new generation of family members	New generation family member should engage in the operations of the original family business, or in controlling positions, or running an independent or affiliated new venture	Approximately 6 interviews will be conducted.
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Top management	In the absence of a Founder, a senior manager who is in a controlling position of the organisation and an initial member of the original family business, and a person with very close connections with the founder will be selected to interview.	Numbers will depend on respondents and will be selected case by case.
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### **3.2 Describe how you will invite them to participate.**

Once the researcher selects the founders the information sheet and the cover letter will be attached to the questionnaire and email to the selected respondents personal/professional emails. Founders will be asked about whether there is an intention to transfer the business to the next generation. If yes, then permission to contact family members will be sought. If family members agree to participate, they will be e-mailed the participant information sheet and consent form.

### **3.3 Show how you provide prospective participants with all information relevant to their decision to participate. Attach your information sheet, cover letter, or introduction script. See document on informed consent for recommended content. Information should include, but is not limited to:**

- what you will ask them to do;

- **how to refuse to answer any particular question, or withdraw any information they have provided at any time before completion of data collection;**
- **How and when to ask any further questions about the study or get more information.**
- **The form in which the findings will be disseminated and how participants can access a summary of the findings from the study when it is concluded.**

A participant information sheet and a cover letter will be provided to each participant for the interviews and the survey (see attached).

### **3.4 Describe how you get their consent. (Attach a consent form if you use one.)**

Participants for the interviews will be provided with a participant information sheet to inform them about the goals of this research. If they agree to take part in the study, they will be e-mailed a consent form for their signature or verbal approval.

### **3.5 Explain incentives and compulsion for participants to be involved in this study, including monetary payment, prizes, goods, services, or favours, either directly or indirectly.**

Participation in this research is purely voluntary. There is no compulsion to participate. No incentives for participation will be provided

## **4. Minimise deception.**

### **4.1 If your research involves deception – this includes incomplete information to participants -- explain the rationale. Describe how and when you will provide full information or reveal the complete truth about the research including reasons for the deception.**

There is no deception involved at all in my research. Participants will be aware of the aims of the study before they take part in the survey. The information sheet and cover letter will provide all the relevant information. Participants will be able to seek additional information regarding the study from the researcher at any time during the research.

## **5. Respect privacy and confidentiality**

### **5.1 Explain how any publications and/or reports will have the participants' consent.**

The findings of the research will be shared with interview participants to ensure accuracy of the information provided.

### **5.2 Explain how you will protect participants' identities (or why you will not).**

Participant's identity will remain confidential throughout the process. They will not be identified in any way. Participants will not be named, and a participant number will be used to identify any quotations made by the participants. Participants will be identified in the reports with non-specific titles such as "Founder FB1, Top Manager FB1, New generation family member FB1".

### **5.3 Describe who will have access to the information/data collected from participants. Explain how you will protect or secure confidential information.**

Completed transcripts will be kept electronically secured with passwords during the study. The information will only be available to the researcher and the supervisors. Digital information will be kept securely stored on a password protected hard drive and computer network that is only accessible by the researcher.

## **6. Minimise risk to participants.**

**'Risk' includes physical injury, economic injury (i.e., insurability, credibility), social risk (i.e., working relationships), psychological risk, pain, stress, emotional distress, fatigue, embarrassment, and cultural dissonance and exploitation.**

### **6.1 Where participants risk change from participating in this research compared to their daily lives, identify that risk and explain how your procedures minimise the consequences.**

There are none of the above risks for the participants in this study. The data collection will be done based on the prior consent of participants. In the case of in-depth interviews, respondents have the freedom to choose the time and the venue for the meeting. Therefore, the interruption to day-to-day lives can be minimised. Individual participants will not be identified in any way.

**6.2 Describe any way you are associated with participants that might influence the ethical appropriateness of you conducting this research – either favorably (e.g., same language or culture) or unfavorably (e.g., dependent relationships such as employer/employee, supervisor/worker, lecturer/student). As appropriate, describe the steps you will take to protect the participants.**

I am not associated with the participants in a way that might influence the research. Data collection will be in English.

**6.3 Describe any possible conflicts of interest and explain how you will protect participants' interests and maintain your objectivity.**

There is no conflict of interest between the researcher and participants. Participation is purely voluntary, and participants can withdraw from participating in the research at any time. The researcher will conduct herself professionally at all times.

## **7. Exercise social and cultural sensitivity.**

**7.1 Identify any areas of your research that are potentially sensitive, especially from participants' perspectives. Explain what you do to ensure your research procedures are sensitive (unlikely to be insensitive). Demonstrate familiarity with the culture as appropriate.**

The survey and in-depth interviews of this study will not contain any sensitive information. Participants can avoid answering any question for which they do not wish to reveal information. Any socio-cultural sensitive, emotional, or embarrassing questions, which could disturb the participants, will be avoided in this research. Participants have the right to withdraw from participating at the time of the interviews. The consent form explains how participants are protected from risk.

**7.2 If the participants as a group differ from the researcher in ways relevant to the research, describe your procedures to ensure the research is culturally safe and non-offensive for the participants.**

Differences in the participants as a group and the researcher are unlikely to have any impact on the research. Participants are free to decline to answer any question in the study, at any time without providing reasons.



## References

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# Participant information sheet

## *Participant Information Sheet – Interviews*

**Waikato Management School**

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### **Project Title**

Founders' Personal Values and the Environmental Legacy of Multi-Generational Family Business

This study is part of my PhD research, undertaken at the Waikato Management School, University of Waikato. The objective of this research is to understand the influence of founding families and founders' environmental values and practices. This study seeks to: 1) Develop founders' personal value profiles related to the family business activities aimed at protecting natural environment; 2) Understand the influence of family characteristics and founders' personal values over green practices; 3) Understand the transference of environmental values (between founders and the next generation of family members) and; 4) Explain the differences between FBs and non-FBs regarding the environmental practices.

The face-to-face interview will be conducted by me. The interview will take approximately 60 minutes and be recorded.

Both forms of data (voice and written) will be available only to the researcher and supervisors. The copies of written data and voice records will be kept by the researcher. Data will be coded in the analysis. Names of participants/ organisations will not be used in research reports or publications. The researcher will use some interview data as quotations in the thesis and related

publications without attribution. The outcome of the study may be presented at academic conferences and published in scholarly publications.

When you participate in the interview, you will have the right to refuse to answer any particular question and to ask for further explanations at any point in the interview. Further, you will have the right to access the summary of the findings of the research when it is completed. Finally, you have the right to withdraw the data provided by you within three weeks of the interview.

**Thank you.**

If you have any questions or concerns about the project, either now or in the future, please feel free to contact either:

**Researcher:**

Nishanthi Kariyapperuma  
Waikato Management School  
University of Waikato